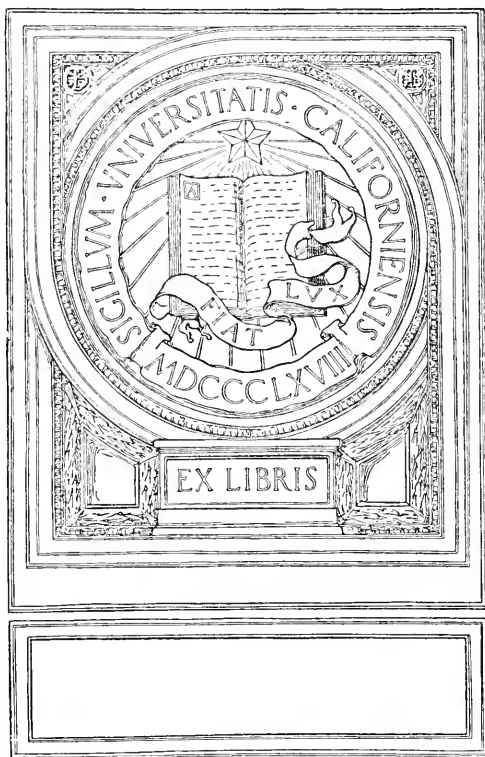


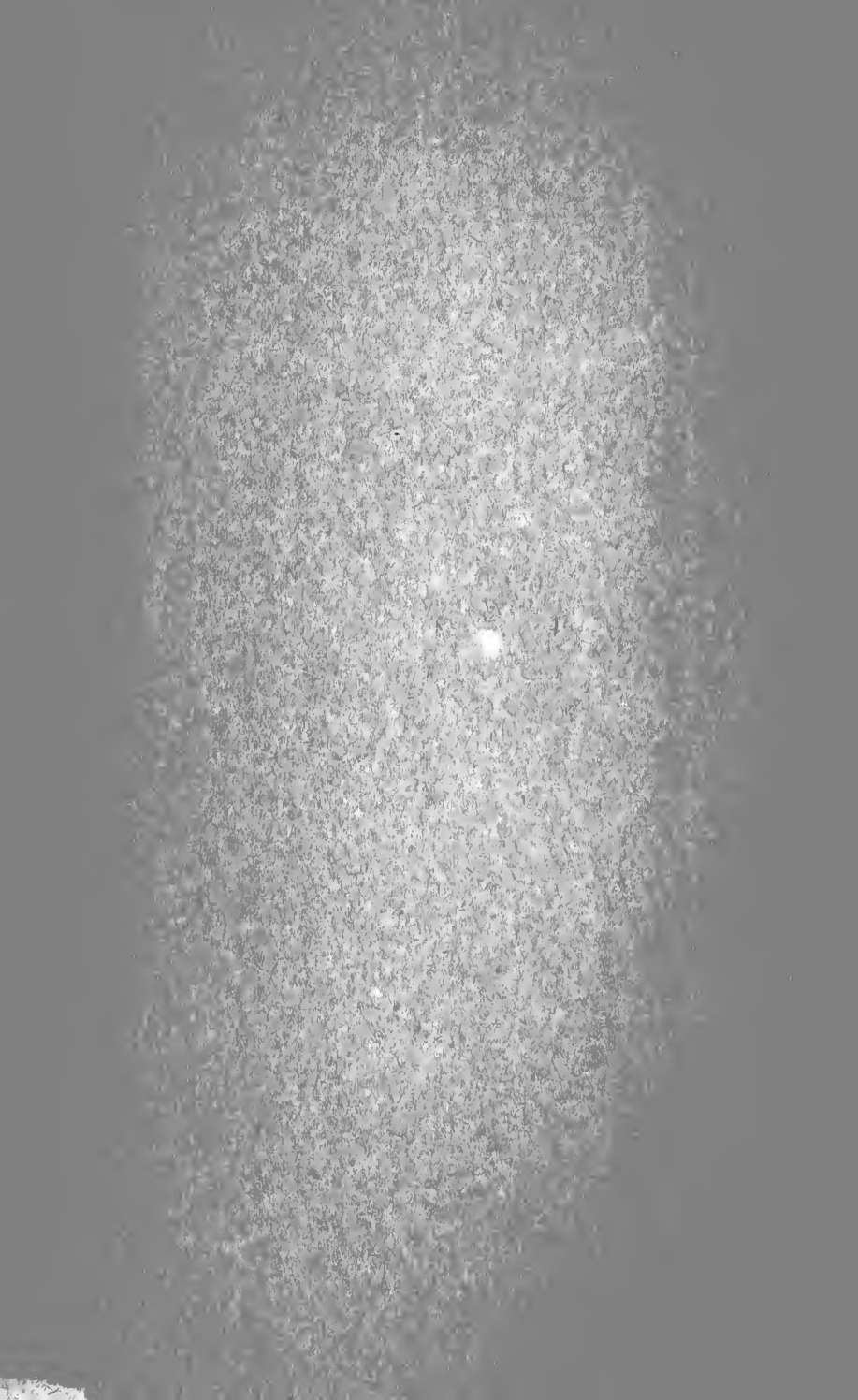
INTERNATIONAL
COMMERCIAL AND FINANCIAL GAMBLING
IN
"OPTIONS AND FUTURES"
(MARCHÉS À TERME)
THE
ECONOMIC RUIN OF THE WORLD

CHARLES W. SMITH.


UNIVERSITY OF CALIFORNIA
AT LOS ANGELES



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AND FINANCIAL GAMBLING
IN "OPTIONS AND FUTURES"
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Charles W. Smith

INTERNATIONAL COMMERCIAL AND FINANCIAL GAMBLING IN "OPTIONS AND FUTURES" (MARCHÉS À TERME): THE ECONOMIC RUIN OF THE WORLD

BY
CHARLES WILLIAM SMITH

FORTY-FOUR YEARS' EXPERIENCE IN THE COMMERCIAL AND FINANCIAL WORLD,
1862—1906; EDITOR OF WHITAKER WHITEHEAD & CO.'S "TRADE AND
FINANCIAL CIRCULAR," 1875—1896; AUTHOR OF VARIOUS BOOKS AND
PAMPHLETS ON "INTERNATIONAL COMMERCIAL AND FINANCIAL
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1906

ALBERTO R. V. V. V.

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DEDICATED
TO
HONESTY,

THE BEST AND WHAT OUGHT TO BE THE ONLY POLICY—
FINANCIAL, COMMERCIAL, OR POLITICAL—APPLIC-
ABLE TO MEN AS WELL AS TO NATIONS. IF THE
BASIS OF THESE POLICIES IS DISHONEST—
HONEST CAPITAL AS WELL AS HONEST
LABOUR (THE MOST SACRED OF
ALL CAPITALS) MUST INEVIT-
ABLY SUFFER.

but what I do claim is, that no man has had a greater all-round experience of them, gained by personal knowledge, since they were reintroduced into England in 1862, and that no other man has devoted the best part of his life in honestly and fearlessly exposing the "curses" they entail upon the world, as well as in proving by absolute facts the ruin they have brought about. Further, I have made this world-wide question the study of my life, and, during the latter part, it has occupied my sole attention.

There is therefore no reason to apologise for issuing my twenty-second publication on these economic subjects.

A Nation that desires to know the truth, the whole truth, and nothing but the truth, about these "Bull and Bear" gambling operations in Trade and Finance, will have no difficulty of ascertaining it. I find it most difficult to comprehend how any honourable man, capable of seeing, reading, thinking, and understanding, and of reasonable intelligence, can fail to understand, and is not bitterly antagonistic to these shameful systems, based on blackleg robbery, shapen in iniquity, and conceived in sin.

And yet they have been so insidiously grafted on the world's international Commerce and Finance, until the trade of the world has been corrupted and demoralised by them to that extent, that it is hardly possible for an honest, conscientious, God-fearing man to remain in mercantile life and make a success of it.

I maintain that any Nation that refuses to

hear the truth, and accepts soporifics, has only itself to thank when disaster comes upon it. I have laid the bare truth before the world during my crusade.

I am aware that "Truth and Falsehood are mingled as they enter the stream of time, but that stream inevitably separates truth from falsehood at the last."

I claim that time has been my greatest friend, for, year after year, I have been able to produce absolute facts and examples all over the world, based on evidence of the most irrefragable character, which no man can refute or gainsay and which prove my contention up to the hilt—viz.: that these "international" gambling systems in Trade and Finance constitute the principal causes of the ruin of the world's Agriculture, Trade, and Finance, and consequently of the economic ruin of the world.

These are not merely the idle words of to-day, but what I have been preaching for upwards of the past thirty years.

I can only hope and trust that the publication of this work will prove that it is not palliative or sham remedies which are required, but drastic treatment of the most thorough and lasting kind, in order to eliminate from amongst us, and from the world's Agriculture, Trade, and Finance, this monstrous evil that sacrifices the well-being of the larger and better portion of the world's citizens to the selfish greed of a few thousands of unscrupulous gamblers of mixed nationalities.

century, which, under the "Option, Future, and Warrant" systems, have reduced the basis of both to a mere gamble.

It matters not to me what religion, creed, or nationality these men may be, or whether the Capitalists be Jews, Gentiles, or of any other race.

But, in dealing with these international subjects from a world's point of view, whether during the old historical times or during the present century, it is impossible to dissociate the fact, that the Hebrew race all over the world have played an important factor, not only in introducing and reintroducing these pernicious systems, but also in showing their masterly conception of them, over other races.

TRUTH.

It fortifies my soul to know
That, though I perish, Truth is so :
That, howsoe'er I stray and range,
Whate'er I do, Thou dost not change.
I steadier step when I recall
That, if I slip, Thou dost not fall.

CHARLES W. SMITH.

Address—HOTEL D'AGLION,
BOUVERET, SWITZERLAND,
March, 1906.

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INTERNATIONAL COMMERCIAL AND FINANCIAL GAMBLING IN "OPTIONS AND FUTURES"

(MARCHÉS À TERME):

THE ECONOMIC RUIN OF THE WORLD.

THE ANCIENT (1200—1860) AND MODERN (1862—1906) SYSTEMS OF GAMBLING IN TRADE AND FINANCE.

IN olden times there appears to have existed, in certain towns on the Continent of Europe, a system of gambling both in trade and in finance, most notably in Hamburg, Bremen, Lubeck, Frankfort, etc. These were Free Towns, and then formed principalities of their own. They were mainly under the power and influence of the Hebrew race.

The form of gambling was the "forestalling" of farmers' crops and the gambling in the public funds and in stock-jobbing. Such transactions were called "time-bargains." The operators were christened "forestallers" and "regraters."

In all European countries laws existed which treated all such operations as illegal. The penal clauses were imprisonment and heavy fines. These laws were passed to protect trade, consumers, and finance.

For example, in Great Britain, there were both common and statute laws from 1216 to 1844 with regard to gambling in agricultural products. These laws were repealed in the latter year.

From 1734 to 1860, Great Britain had what is termed "Sir John Barnard's Act." This law was against gambling in the Funds and also against stock-jobbing. It was repealed about 1860.

About the year 1860, certain similar modern systems were reintroduced by the Jews into various Continental countries. In 1863 they were introduced by the same people into the United States of America, and a year or so afterwards into Great Britain. They have gradually been extended to many other countries, most notably Canada and Egypt.

The modern forms of gambling consist in the "forestalling" and in the gambling of agricultural produce, metals (including silver), etc.; also gambling in the funds as well as in all stocks and shares, as "registered" in the world's Stock Exchanges. The names for such gambling contracts in the United States and in Great Britain, were "options," "futures," and "warrants." In Continental countries and in Egypt these were styled time-bargains or *marchés à terme*. The operators were called "bulls" and "bears."

The ancient and modern systems are somewhat analogous, with the following most important exceptions.

Under the modern systems, the "international" bear operator was introduced, and the gambling, in consequence, partakes of "international" operations in "fictitious" or non-existing commodities, say, to the extent of from thirty to one hundred times of the "actual" commodities produced.

The "option and future" contracts also allow the "international" gamblers to "forestall" the world's agricultural crops, say, from six to fourteen months ahead, and even before the seed is in the ground.

Under the ancient systems, the "forestalling" of farmers' crops was "localised," and consisted in the buying up of the actual "local" commodities, with the view of "artificially" raising local prices to unnatural values. There were no "bear" operators. Consequently, all such operations were directed against the masses, users, and consumers.

Whereas, under the modern "international" systems of gambling and under the power of the "international" "bulls and bears," it is not only the "world's" consumers, masses, and users that stand to be ruined, but also the "world's" producers and the "world's" finance.

Therefore, the curses of the modern systems, in comparison to the ancient ones, are far more ruinous and world-wide reaching as stands apparent.

Thus history is only somewhat repeating itself,

besides proving that there is "nothing new under the sun."

In connection with the modern systems, I consider it of the greatest importance specially to point out, considering that the "international" markets of the world are largely influenced in 1906 by the "international" gambling operations, which emanate from the United States of America, that the baneful influence of all such "international" operations has only been gradually felt throughout the world since 1863, the year they were introduced into that country. And that, prior to that year, there were no gambling systems of any kind, either in produce or in stocks, all speculative business being of a legitimate character.

INTERNATIONAL GAMBLING IN "OPTIONS, FUTURES, AND WAR- RANTS" (MARCHÉS À TERME): THE ECONOMIC RUIN OF THE WORLD.

"Almighty God, who art always more ready to hear than we to pray, and art wont to give more than either we desire or deserve, we humbly beseech Thee to hear our prayer that Thou wouldst guide at this time the minds of those who, as leaders of the employers and of the employed, are in Thy providence charged with the issue now at stake in the cotton industry. Grant unto them both an earnest desire for conciliation, and wisdom in devising means thereto. Avert, if it be Thy will, the calamities which we fear, and give peace and prosperity in our homes. We pray Thee, Heavenly Father, to teach us also to make a right use of all that Thou sendest, of all times of tribulation and of all times of our wealth. May we acknowledge Thee in all things, and ever seek Thy Glory and the advancement of Thy Kingdom, through Jesus Christ our Lord. Amen."

THE above prayer, which the Bishop of Manchester notified to his clergy and churchwardens in the diocese of Manchester, to be offered up in church on Sundays, August 13th and 20th, 1905, in relation to the "world's" cotton crisis, and Lancashire in particular, is the direct outcome of these "international" gambling systems in "fictitious" cotton.

As the Bishop also truly remarked, "More things are wrought by prayer, than this world dreams of." No man can deny this. But, I believe,

it is the first instance in a Christian country—and I trust it will be the last—where the aid of Divine Providence has been invoked to avert trade-crises, and where the origin is acknowledged to be solely due to man's vile gambling actions and the remedy to lie in his own hands.

I am reluctantly obliged to bring this forward for reasons I state hereafter, and because men in the present day, apparently, fail to realise the fact, that all raw materials, say, the land and all its actual products, were not made by man, but created by God, for the use and sustenance of the human race.

And this dealing in "fictitious" commodities, I maintain, is directly antagonistic to the spirit of Christianity, and consequently must be forbidden in all Christian countries.

In dealing with this subject from the highest and most religious point of view, I cannot refrain from pointing out, that all reverence, whether for God or man, has been eaten out of the heart of a section of the people engaged in the trade and finance of the world. It seems to me that there is a decay of every sense, of what ought to be good, beautiful, and noble.

It looks as if some of the most prominent nations, most notably the United States, Great Britain, and France, are about to become godless and God-forgotten.

The utter materialism of all nations, and their pursuit of wealth and haste to be rich, are gradually causing their downfall. It matters not how that wealth is obtained, either by corruption or by

dishonesty. To worship the "golden calf" is the ruling spirit of most men in the twentieth century. Gold has become the god of man. To obtain it, men, aye, even women, in the higher positions in society, sacrifice not only their honour, their good names, their titles, their bodies, but even their God.

And all this is traceable to a very large extent to the swindling gambling operations on the world's Stock and Produce Exchanges, under the "bull and bear" systems of options, futures, and warrants, by which all the material blessings of this earth, the gifts of God, whether it be foodstuffs or other raw materials, have been converted, by dealing in "fictitious" commodities, into "gambling counters" and this in order to establish on the exchanges, "a Monte Carlo without the music," at which the great international capitalists preside and hold the bank.

The result is, that the great "international" capitalists, have in the "bearing and bulling" of fictitious dealings in options and futures, obtained "The Key" to the mastery of the world.

I shall demonstrate later on, by many examples, how, in order to obtain this Gold, there is no intrigue, scheme, or conspiracy, that these men will not stoop to, in order to gain their financial ends, even if it be at the expense of their country's honour or financial ruin to their fellow-creatures; indeed, shame be to say, even to the sacrifice of millions of lives in times of Indian or other famines or in times of war. With one and all, the end justifies the means.

I shall also prove by absolute facts that during 1904 and 1905, not only in Great Britain, the United States of America, France, but in other Christian countries, these conspiracies have been accompanied by every form of swindling, robbery, and artifice, that men are capable of inventing, to gain their own sordid ends under these gambling systems of so-called trading—acts of the basest sort, which are not only crimes against men, but also, as all men must admit, and I say it with all reverence, are direct sins against the Almighty.

Thus, these systems in their entirety are ruining the moral and consequently the physical tone of the people and gradually bringing about a deterioration in both. They are, in truth, introducing the crudest form of morality in all branches of modern trade and finance, instead of leading to a still higher standard of civilisation, such as one would naturally have expected to have been the case in the twentieth century. All trades, more or less, are being made corrupt in their worship of the golden fetish.

And yet, monarchs and governments, as well as leaders of science and religion, and other thinkers, express astonishment at the great unrest that is visible the world over, and ask one another what are the causes of it? I firmly believe all is due to God's just wrath.

Before leaving the highest and most sacred point of view of this subject, I will give a copy of a letter I addressed to the Bishop of Manchester, on reading his beautiful prayer as quoted at the commencement of this chapter. I may mention this

subject has already in previous years formed the text of sermons, both in the United States and in England, and why should not the heads of the Church continue to bring their powerful influence to bear against these immoral systems? They are from every point of view anti-Christian.

The Bishop of London, in his annual charge to his clergy in October, 1905, said, with reference to the "curses of the present day" and the influence of the ministry on the morality of trade and commerce, "It is all part of the miserable gospel of comfort which is the curse of the present day, and we must learn, ourselves, and teach others, to live the simpler, harder life our forefathers lived when they made Britain what it is to-day, and handed down the glorious heritage which, unless we amend our ways, must surely slip from our nerveless fingers to-day. And so again it is this hastening to be rich at all costs which is the secret of the difficulty with regard to trade and commerce."

"The World's Cotton Crisis.

"13th Aug., 1905.

"TO THE RT. REV. THE LORD BISHOP OF MANCHESTER.

"MY LORD,—I see it stated in the Paris paper of yesterday, that your Lordship has issued a special prayer to God to be used in your diocese on two Sundays, say, to-day and on the 20th inst., for conciliation in the above crisis. That such powerful prayers emanating from the Church may have some effect in bringing out the truth is my earnest wish!

"I believe such special prayers are the first

instance in Great Britain which have been offered up for conciliation between Capital and Labour, especially under the special and immoral conditions by which this crisis has been brought about.

“I notice also, that an appeal was made by the Lancashire Members of Parliament to the Government two days ago, to put in motion the arbitration clauses of the Conciliation Act, with the object of a friendly settlement, but that the Secretary of the Board of Trade, Mr. Bonar Law, M.P., said, ‘while the Board has the power to interfere they will only act if they think their intervention will be useful.’

“But let me bring before your Lordship what are the present immoral conditions of trade which are the sole cause of this crisis, and which have been duly acknowledged to be so at all the meetings as well as at the International Cotton Congresses, lately held in Manchester and in London.

“It is the pernicious system of gambling through ‘option and future’ cotton contracts, representing ‘fictitious’ cotton—a gamble pure and simple. How can any business be honest without an exchange of things? A system of ‘bulls’ and ‘bears,’ by whose joint operations both Capital and Labour must inevitably suffer.

“But, with special regard to the offering up of prayers in your Lordship’s diocese for conciliation, let me first point out, that until the ‘bulls’ proved victorious during the present crisis, Labour had its rights in demanding the extra wages.¹ It is this fact alone that has prevented Capital carrying out its

¹ See Appendix, Note 4.

promises. In fact, it is now a question of life or death to Lancashire capital, for, owing, as is admitted at all the various congresses, to the high price of cotton caused by the actions of 'bulls,' the masters are not now in a position to grant the promised advance in wages.

"The interests of Capital and Labour ought to be identical; but solely owing to these gaming systems, both are placed in jeopardy, and hence this crisis has occurred, as it has done in many previous years, owing to the same destructive gambling operations.

"With regard to the action of the Lancashire Members in the House, I may point out that the Conciliation Act of 1896 was only passed for settling trade disputes by arbitration which arose from natural causes and not from unnatural ones, as in the present instance, and further that the Lancashire Members, as well as the Government, are perfectly aware what these unnatural and artificial causes are.

"For Mr. Field, M.P., has during this session, as well as in many previous ones, brought these causes dozens of times before the Government and the House, but has always met with rebuffs and negative answers to one and all of his most important questions.

"Besides, as your Lordship perhaps is aware, the majority of Lancashire merchants, spinners, manufacturers, and all Liverpool brokers, are daily engaged in these gambling systems, and it is for these reasons specially that Mr. Field has not received that support in the House from those

members who represent Lancashire constituencies, some of the members themselves being the most prominent cotton gamblers in England.¹

“Under these circumstances may I ask your Lordship—Why should Labour suffer, and when can any righteous and honest conciliation on behalf of these masters come in ?

“The only honorable conciliation towards Labour ought to come from Capital, by pressing the Government to prohibit these pernicious systems of dealing in fictitious cotton, which Lancashire acknowledges to be the sole cause for the present crisis.

“This is the duty which Capital owes to God and to man, especially to those millions of workpeople, in the shape of Labour, dependent upon the prosperity of the capital employed, not only in the Lancashire cotton trade but also in the numerous other allied trades and industries.

But, again, with special reference to the prayers which are to-day being offered up to God in your Lordship's diocese, I have in many of my books dwelt specially upon these gambling systems in ‘fictitious’ products, from the highest and most religious point of view. My words were :

“‘That Providence never intended that either His actual commodities or His minerals—His own gifts to man for the benefit of the world—should be turned into “fictitious” dealings and form only “gambling counters” and the basis for such gambling. Nay, on the other hand, Providence gave

¹ Also the leading gamblers in grain, stocks and shares, and in “City” finance.

His land to the world, and intended that His actual products derived from it, both above and below, should be the origin for the wealth of all its inhabitants. Capitalists, by introducing these systems of "paper-crops" and dealings in "fictitious" products (even before they are sown or grown),¹ have annulled the blessings intended by Providence. Hence, the capitalists' action is not only a direct crime against their fellow-men but also is a direct sin against Divine Providence. Man, all over the world, in consequence, suffers, and will suffer, while his actions are gradually bringing down both his own financial and moral downfall. Another example of *L'homme propose, et Dieu dispose.*'

"As your Lordship is evidently taking a great interest in this national crisis, as indeed every right-minded and Christian man ought to, I think it is only my duty to bring my special views before you, which are based on acknowledged *Truth*, with the sole object of helping to bring about conciliation by man as well as to avoid repetitions of similar crises in the future, which are sure to happen.

"It may interest your Lordship to know that some ten years ago I distributed, at the express wish of some clergymen, certain literature bearing on this subject throughout the various dioceses, *re* agricultural depression and the poverty of the clergy caused thereby.² The Bishop of Hereford has also spoken strongly on the question, and the late Lord Stanley

¹ Exemplified in March, 1906, in many of the world's leading products.

² Read the Bishop's Address to the King of February 20th, 1906.

of Alderley brought it up on several occasions in the House of Lords.

“It is an ‘international’ question, which has occupied my undivided attention all over the world for many years, and I trust your Lordship will accept a copy of my last important book, which in the present cotton crisis will throw more light on it than any few words I can now pen.

“To go to the root cause of the evil, by prohibiting these ‘bull and bear’ transactions—the origin of man—and the sole cause of the present battle between Capital and Labour, is the only true form of conciliation that man can adopt, as they are, I am convinced, morally wrong in God’s eyes.

“May the prayers which are being offered up in your diocese be the means of opening all men’s eyes to the criminality of these systems. Also, may they see that the only sound and honest remedy lies in their own hands, and may they realise that they alone and their gambling actions are the direct causes of this national crisis, as well as being indirectly responsible for the many economic troubles and miseries which are at present only too visible in our land. This is my most earnest prayer.

(Signed) “CHARLES W. SMITH.”

MONARCHS AND PRESIDENTS.

While, as I have shown, it has fallen to the Bishop of Manchester to appeal to the Supreme Ruler of the Universe and Sovereign Arbiter of nations to ask His aid in guiding the minds of the leaders of the employers and of the employed, who are charged

with the issue now at stake in the cotton industry, it has been my privilege and honour during the past fifteen years, in my humble capacity, to bring what I am firmly convinced are the principal causes for the economic ruin of the world before reigning monarchs, presidents, and governments which constitute the highest tribunals in this world. I rejoice to say, in the interests of humanity, that in some influential quarters my efforts have met with success and have been duly appreciated.

Monarchs, kings, and presidents are only placed in temporary trust by the Almighty over the people they rule. They, like all men, have to do their duty to God and to man. They are, as it were, only placed in this world as life directors over nations on the joint-stock principle, in which every citizen is a shareholder, and of which the dividends are receivable in various ways.

Why, therefore, for example, should any citizen, who has invested his capital either in land, in stocks or shares, or in any of the world's commodities, or in labour, be robbed of his just dividends, either by bull or bear operations, monopolies, trusts, cartels, syndicates, or by any other similar trade and finance conspiracies?

That such is the case no man can deny, and such a state of affairs is a scandal and a national disgrace upon all Christian countries.

Some of the most prominent rulers have, in the last few years, taken the initiative in bringing forcibly before the world that under modern civilization something is economically wrong or out of

joint in the entire body politic; but just what this is they have not yet quite learnt. However, by their personal actions, they admit there must be some hidden causes for it.

For examples:

In 1893, the late President Cleveland, in his inaugural address at Washington, spoke in the strongest language against trade conspiracies, which, he said, "were unnatural and opposed to all American sense of fairness."

In 1894, H.I.M. the German Emperor announced in his speech from the Throne, the introduction of two Government measures "in connection with the gambling 'future' systems and agricultural depression, in order to protect the trading and industrial community."

In 1902, H.I.M. the Czar of Russia proposed an International Conference "to protect the world's commerce against all systems of trading which influence 'artificially' the International markets."

In 1904, H.M. King Edward VII., in his speech from the Throne, specially dwelt upon the distress of the "Lancashire Cotton Crisis of that year."

In 1905, H.M. the King of Italy, proposed an International Agricultural Conference, *re* the World's Agriculture.

In 1905, Her Majesty Queen Alexandra, by example as well as precept, nobly showed her deep and active sympathy in relation to certain internal social problems in Great Britain.

President Roosevelt, during the whole period of his Presidency, has never ceased attacking the

various financial and trading frauds in the United States and other scandals caused thereby.

Now, the world in general owes a deep debt of gratitude to the above Heads of the various States in their attempts honestly to grapple with the present economic and social problems which are undermining and generally ruining the world's economic position, their joint efforts being to promote the highest interests of civilisation and at the same time to find remedies.

For all classes are suffering; Honest Capital as well as those who depend on Honest Labour—its only capital and the most sacred of all capitals in God's eyes. Both ought to be partners in a common business, as the one cannot prosper without the assistance of the other.

But, as I have already pointed out, certain capitalists—that is, those who abuse the power of capital under these gambling stock and produce operations—reign supreme, and Labour suffers as well as all other innocent people.

The function of a State ought not to be to allow one class to dominate over the vested interests of all other classes. Its duty ought to be to protect all classes from abuses that injure their fellow men.

These “bull and bear” systems of dealing in “fictitious” products accentuate the antagonisms of Capital and Labour, and are, to use a mild word, Conspiracies against the people and consequently against God, for all His actual products derived from His land were intended for the benefit of

mankind and not for the benefit of the few, such as is the case to-day under these systems.

While, with special regard to imaginary short-supplies of the world's commodities, whether they be in foodstuffs or in raw materials, which in nine cases out of ten are "artificial," and solely due to these systems, by the "cornering" process, man, during the past twenty years, sad to say, has got into the universal habit of blaming the Almighty, for sending what man calls "drought," "famine," or "frost," instead of placing the onus for all such, on his own shoulders, in the shape of "Price-Famines" due to "bull operations."

I have quoted dozens of examples in my previous books to prove the absolute truth of the last paragraphs. Many more have occurred during 1904 and 1905.

I will, however, give a powerful late object-lesson, taking Cotton as my example—a commodity which is used all over the world, and which the world's capital and labour largely depend upon for its prosperity; for, after food-products, it forms the principal raw-commodity for the world's clothing—the second greatest blessing given us by God. I may also here mention that wool, the other principal raw commodity for clothing mankind, likewise comes under the power of these international gambling systems and has been subject to the same artificial causes for price depressions and "corners."

Now, the values of all actual products under these systems, are solely governed by the quoted daily prices of the gambling "Option and Future

Contracts"—90 per cent. of which merely represent "fictitious" commodities. This is an acknowledged economic fact. They also over-rule the laws of supply and demand of the world's actual commodities. This also is an acknowledged economic fact. Consequently, these systems are the only factors which determine the prices of all the world's actual products given us by the Almighty for the benefit of man.

I shall prove the truth of these words. During 1903-04, "Sully" made his international cotton corner in the United States and in England. The prices for example, in Liverpool, were unnaturally forced up to 9*d.* per lb. Result: the Cotton Trade of the world was forced to "short-time" and millions of workpeople were reduced to no work and starvation. In 1904, the "bears," headed by Theodore Price, ruined Sully. Result: a panic all over the world, the price falling to about 4*d.* per lb.

In the spring of 1904, owing to the low prices caused by the "bears," the Southern Cotton Growers' Association in the United States held their Convention and, with the object of raising prices artificially, passed resolutions to reduce the acreage of cotton for 1905-06 by fully 25 per cent.¹ This was virtually carried out so far as was possible. Result: the "bulls" again gain the victory, and prices were raised to 6*d.* per lb. in 1905, with a crisis in the world's cotton industry.

Now, here we have most powerful object-lessons. First, Capital and Labour suffer, due entirely to those international "bull" and "bear" gambling

¹ See Appendix, Note 3.

operations—consequently they are antagonistic to both, and constitute the vilest of conspiracies against all people, including the producers, the users, and the consumers.

Secondly: they also are a conspiracy against God. For, while God has given His land for the benefit of all people, and consequently His actual products derived from it, it is proved that, in order to conquer the “bears” of “fictitious” products, the planters reduce the acreage of His land, and thus nullify all the blessings intended by Providence for the benefit of the world’s mankind.

This proves that, owing to these systems, the “actual” products given to the world by the Almighty are turned, by the actions of men, for the benefit of the few, and not, as they were intended, for the benefit of the world in general.

In face of such unnatural and wicked conditions, what a mockery are men’s yearly prayers, offered up at all Harvest Festivals, reduced to !

Consequently, I maintain it is the bounden duty, both to God and to man, for all the heads of the various States, to see that justice is done to all classes irrespective of consequences ; in fact, from a sense of right to do the right thing, and accept no compromise, where it is felt that compromise would be wrong. If the laws are wrong, those laws ought to be altered or added to, to meet the case, even in the teeth of public opinion, *pro bono publico*.

All laws ought to be for the benefit of the many and against the few, even if those few constitute the great capitalists.

The usurer, the thief, and the robber do not serve the public, neither do these sort of capitalists. The former are placed outside the moral community, and consequently outside the law.

Why should not, therefore, such capitalists be placed in the same position? They, like the robbers, destroy and annihilate, and this is why the power of the State should be turned against them. They serve nobody's interest but their own. They strive at earning as much money as possible at the expense of, and quite irrespective of the consequence to others, whether they be producers, users, or consumers.

And I maintain that a universal law against these international gambling systems would not interfere with or be against the liberty of the people, for it is by such systems that the liberty of the people has been interfered with, whatever their vested interests may be.

International Conferences are being held on almost all topics that affect the world's welfare and happiness.

Amongst others, we have had, years ago, the Peace Conference at The Hague, with the object of doing away or minimising the curses of warfare between nations.¹

Why should not one be summoned by the rulers of the world, with the sole object of minimising or abolishing the basis of the everlasting and uncivilised state of daily warfare between "bulls" and "bears"?

One is just as destructive as the other—the latter

¹ See the late British Prime Minister's threat, page 332.

perhaps more so than the former. War, in all its phases, has justly been described as "hell." So it is.

For instance, take the late China, South African, and Russo-Japanese wars, as the latest examples. They have caused the destruction of tens of thousands of human lives and hundreds of millions of money, besides miseries of all sorts.

So also have the "bull and bear" daily fights on the bourses of the world during the same periods.

Thousands of individuals have been financially wrecked. Tens of thousands have been partially so. Millions of the working classes and artisans have been seriously affected, and thrown out of work by no fault of their own. The investors in many countries have been robbed by these capitalists of their savings. Swindles, robberies, and scandals have occurred in the United States, Great Britain, France, and in many other countries, and all is due to these international gambling systems in trade and finance.

The financial losses all over the world, directly and indirectly, are untold, and can be counted up by thousands of millions.

Thus, the latter form of warfare, not only from a moral and religious, but also from a world's State point of view, is a hundred times worse than even a war between nations.

If it is impossible, as it appears to be, for the reigning monarchs and their governments to stop war between nations, it is certainly possible for them to prohibit these "international" fictitious dealings, the origin of all "bull" and "bear" warfares.

The remedy for the matter lies in their own hands. It is simple enough. *Prohibit all "international" "bear" operations*, and by one stroke of the pen both "*bulls*" and "*bears*" are placed *hors de combat*.

And I do not hesitate to point out to any right-minded and Christian man, who has watched, like I have, the disastrous results of all such all over the world during the past forty years, that the God of all battles, in His own time and in His own way, and by no uncertain rulings, pronounced His verdict ; and it ought to have already proved and convinced the world at large that all such fictitious gambling operations are a direct crime against those Divine rulings, and must in consequence, as they are doing yearly, inevitably bring their own curses upon all nations, and the far larger and the most innocent portion of the world's population suffer the most.

We also have witnessed during 1905 the great Peace Conference held in the United States at the instigation of President Roosevelt. We have also witnessed King Edward VII. appear prominent in the world as a peacemaker. The result of both these Rulers' endeavours have gained them the admiration and gratitude of the entire world. They both stand foremost to-day amongst all Rulers as the pioneers of peace and goodwill amongst nations. I believe I am right in saying that this is acknowledged to be the case, so far as such a state of affairs between governments and countries can ever be possible.

We have also witnessed during 1905 various

International Peace Conferences with the object of preventing war. And I claim that in the matter of all wars, and whatever their origin may be, the greatest power lies in the hands of the Press.

The Press is the mouthpiece of all men. It ought to be enlisted in the cause of humanity, for it is more powerful than Church, State, or even Capital—the world's other three great masters.

It is only the Press that can convince the masses that brutality is not justice, that not he who destroys is glorious, but he who preserves, saves, or creates. The ruler of rulers is nowadays public opinion. Who sows, gathers, and even creates that limitless power? The Press! Diplomacy, the pulpit, and congresses are at times useless to avoid a war. Pacifists should, therefore, secure the co-operation of the world's Press.

It, therefore, is on these facts I ask the co-operation of the Press in connection with the "bull and bear" forms of deadly warfare; for they, instead of preserving, destroy all that is glorious and right, and are directly antagonistic to humanity.

It is gratifying to myself to see these views corroborated by the words of President Loubet, in his reply to the members of the International Cotton Congress on November 12th, 1905, in Paris, *re* the subject of international cotton gambling, and the objects this congress had in view of "defending the common interests of the world's cotton industry, and to meet common dangers." The President said: "To-day the disposition of the whole of Europe was peaceful, and the prospects of

international peace would be vastly improved by the successful working of such an international association as that he was addressing."

While fully admitting that there never can be "Peace, perfect peace," in this world, applicable alike both to nations as well as to men, and not forgetting that the actions of men make nations, whether for good or for bad, and as men sow, so they reap, I ask my readers how can there be any peace at all in this world when the basis of trade, agriculture, and finance is so corrupt and immoral, and considering that international trade and finance form such powerful factors in 1906 in determining peace between nations?

I say it is impossible under existing and artificial conditions. For these systems being international, like the trade of the world, the capitalists of each nation have the power to ruin another nation's industries, and thus bring about a continual state of international industrial warfare, which entails ruin upon tens of millions of innocent people.

The same capitalists, and indeed hostile governments, have also the power, under these international gambling systems, of "cornering" the food products of the world, and thus starving Great Britain into submission in time of war. I have given many examples of the former in my previous books, and dwell fully upon the latter in another chapter.¹

I have already referred to the ruin to the world caused by "price depressions" in cotton, due to the

¹ See page 59.

“bears,” as well as to the “price famines” due to the “bulls,” and “cornering” which occurred in 1904 and 1905. I will briefly give further examples in those years to substantiate my contentions.

I allude to the international sugar “corners” in all European countries by two Frenchmen, Jaluzot and Cronier. These men, in the autumn of 1904, “cornered” beet sugar. The result was, that not only British and other foreign manufacturers were, *pro tem.*, ruined, but also consumers and workpeople were seriously affected; and solely owing to the unnaturally high prices caused thereby, a syndicate of international “bears” ruined these two men and many others, and the price fell enormously. This latter caused ruin to the planters, not only of beet but also of cane sugar. Thus, practically, the world’s producers suffered, while the actions of these men also brought down banks, sugar refineries, and other public institutions, of which they were the heads, inflicting thereby ruin to thousands of depositors and other innocent people who had trusted them.

Again, the American “Grain and Elevator King” Armour, and others of Chicago, as well as certain men in Canada, cornered the American and Canadian wheat and maize crops, upsetting all economics and the ordinary trade of the world in such commodities.

When the collapse occurred, as in the case of the cotton and sugar “corners,” it caused panics and severe depressions in the world’s stock and produce exchanges, thus indirectly being the cause

of losses and ruin to thousands of honest investors and speculators.

As I devote special chapters to these, as well as to other prominent object lessons that have occurred during 1904 and 1905, I simply bring these brief factors forward here to prove my words.

The before-mentioned facts also demonstrate "that the great international capitalists, backed up as they are by the leading bankers of the world, have in the 'bearing and bulling' of fictitious dealings, obtained the key to the mastery of the world." They also show in no unmistakeable manner how these "Commercial and Financial Rulers" can, under these international systems, work wholesale destruction throughout the world, whether they be "bulls" or "bears," and whoever may be victorious *pro tem*.

For here we have most powerful examples to prove how one man of the Sully, Theodore Price, Jaluzot, Cronier, Armour, etc., stamp can, for the time being, upset and ruin such important world's industries as the cotton, wheat, maize, sugar, etc. It is the same with all other trades under these pernicious and swindling systems.

To my mind it clearly demonstrates that their universal abolition would strengthen and promote a more lasting peace amongst nations than any steps monarchs can invent, whether they be styled alliances, treaties, *ententes cordiales*, or by any other name.

Therefore, in order to further peace and goodwill amongst nations, and in the interests of international trade and finance, it ought to be the

bounden duty of all reigning monarchs and presidents of the civilised world, irrespective of any personal feelings they may hold, to investigate the whole of the economical questions at issue, from every point of view, and thus probe to the bottom the direct and indirect curses which they have brought about. For the present state of industrial civilisation is a standing disgrace to all Christian countries in the twentieth century.

Amongst the most important rulers of the day their Majesties the Emperors of Russia, Germany, and Austria, and the King of Sweden have already recognised the evils of these gambling systems, and in consequence laws in their respective countries are in force.

Why should not his Majesty King Edward VII., as well as President Roosevelt, take the same initiative, and use their all-powerful influences by urging upon their governments that similar laws be passed respectively in Great Britain and in the United States of America ;¹ especially considering, as the world acknowledges, it is these two countries, which stand most prominent, with France next, as the hot-bed for all these "international" gambling operations.

I am, however, fully aware that the positions of these two powerful rulers stand wide apart with regard to their governing powers.

President Roosevelt is virtually in the hands of the Senate. Without the Senate the President

¹ See proposed United States Legislation, pages 96—7, 1st volume of this book (1904).

could do nothing. No bills, laws, or treaties are possible unless the Senate has concurred in them. No appointments can be made unless the Senate sanctions them. It is for such reasons that Mr. Roosevelt, with all his good intentions, has not yet written in the Statute-book one single great piece of legislation. A split, therefore, between the Senate and the President spells the paralysis of the government, and American history has had many such examples.

But with his Majesty King Edward VII. it is just the opposite. He is omnipotent in all matters concerning the State, the Government, the Parliament, the Army, the Navy, Laws or Bills.

Dieu et mon Droit.

No two rulers enjoy a clearer view of the world's affairs, nor take a greater interest in all matters concerning the welfare of humanity. They have both proved by their all-round actions, that they intend to carry out God's commands, both from duty and from conscience' sake.

And no two rulers have ever before exercised such undisputed influence over the world before. Their positions are almost unique, because their vast power is the direct outcome of affectionate tribute. Both rule in the hearts and minds of their subjects. They also exercise sway over the hearts and minds of Sovereigns and peoples dwelling beyond their lands. Constitutionally, politically, and socially, almost all classes and parties in every nation regard both rulers as a great force tending towards international righteousness, and promoting—using King Edward VII.'s words at the Bible Society's

Centenary Thanksgiving meeting in London, in November, 1905—"the growth of Christianity throughout the world."

It is such sacred and lofty sentiments which force me to make a most humble appeal to his Majesty King Edward VII., and to President Roosevelt, to join hand-in-hand with the before-mentioned monarchs, and thus remove, in the interests of civilisation, humanity, and peace, either by international arrangement or by international legislation, the different forms of financial and commercial conspiracies, which, by degrees, are being acknowledged all over the world as one of the main causes for the decay of the world's agriculture, trade, and finance, and which constitute in their entirety the economic ruin of the world.

This I would humbly point out to his Majesty King Edward VII., by endorsing and by adopting the words of an eminent writer in *The Fortnightly Review* of August, 1897, on "Agriculture in the Victorian Era," in connection with the gambling in agricultural products, "let us hope that the glorious reign of his Majesty the King will not come to an end before one of the great artificial causes of an unremunerative level of prices has been removed by international arrangement and legislation."¹

GOVERNMENTS AND PARLIAMENTS.

IT is well known that most governments and parliaments have either passed or proposed during

¹ See Appendix, Note 19.

the past few years repressive or restrictive legislation against these systems.

In the former case the following eight governments have done so, viz., those of Austria, Argentine, Belgium, Canada, Norway, Germany, Russia, and Switzerland. Spain, Portugal, and the Netherlands had already laws in existence.

The following nine governments, or representatives of the governments, have proposed legislation, viz., France, Greece, Hungary, Italy, Norway and Sweden, Australia, Egypt, South Australia, and the United States of America.

Thus, it will be noticed that the only notable exception is Great Britain. In my last book I gave a full and detailed account of all these various legislative measures.¹ I may thus say with truth that by degrees the views I hold are being confirmed all over the civilised world by all governments and parliaments.

In 1896, when the German Government passed their Bourse Reform Bill, a resolution, on Count Kanitz's motion, was unanimously adopted "to open negotiations with the governments of all countries in which gambling in cereals and other produce is at present tolerated, with the aim of concerting 'international' measures for collective suppressive action."

The same sound proposition has also, on several occasions, been put forward in the British and in other parliaments.

At the International Congress of Chambers

¹ Also, Extracts on Foreign Legislation from the British Government Blue-Book of 1904.

of Commerce and of Commercial and Industrial Associations, held at Liège in September, 1905, the following important International Resolution was accepted and will come up for discussion at the same Congress to be held in Milan in 1906. It speaks for itself.

The following is a copy of the Resolution :—

“ That in view of the acknowledged great loss and injury inflicted on the world's commerce, industry, agriculture, and finance, as well as on legitimate speculation in actual commodities by the international systems of gambling in options, futures (marchés à terme, or time-bargains), and warrants, which represent ‘ fictitious ’ commodities, such as raw materials, food stuffs, and metals, this International Congress strongly urges all Chambers of Commerce to make earnest representations to the governments of their respective countries (the majority of which have already, either by actual or proposed repressive legislation, recognised the evils of the systems) in order to obtain *international legislation* inflicting severe penalties on all persons speculating in such commodities, unless the said commodities are, either directly or indirectly, ultimately delivered by the sellers to the respective buyers.”

With special regard to the British Government and Parliament, I have done my utmost by every means in my power, during the whole of my crusade, to open the eyes of both to the enormity and gravity of this international question.

In both Houses, many members have interested themselves. Innumerable questions in every session

have been asked by me through various members. All have been answered in the negative. During the past ten years, Mr. Field, M.P., has especially been active, and the brunt of the battle has fallen upon him.

It is a standing disgrace, both upon the Government and upon the Houses, in face of the fact that all other Christian governments and parliaments have been seriously occupied with this subject for years, that such should have been the case.

During those ten years, we have witnessed British agriculture going from bad to worse, British trade threatened, and in many cases ruined *pro tem.*; and imperial and municipal finance become most critical, and in consequence, in some leading men's opinion, the nation is on the verge of financial bankruptcy.

Now, let us look broadly at what all this signifies to the nation at large and its results.

I will take agriculture first. It was estimated by experts in 1904, that the drop in the value of the land and of farmers' capital in twenty years amounted to £840,000,000,—a figure which approaches that of the National Debt. Of this total, the farmers' capital was placed at £200,000,000, and this had been entirely lost. The yearly value of the produce lost was estimated at from £25,000,000 to £30,000,000. The official returns in 1905, show that the value of agricultural land had become even worse.

The net losses, owing to the serious state of trade combined with the losses through these gambling systems in produce and in metals, are

well known and are fully acknowledged ; the total results, directly and indirectly, must be an unknown quantity.

The aggregate losses in the stock exchanges, due to pure gambling operations, combined with the enormous depreciation in values, owing to the numerous panics during the past sixteen years, that is since the "Baring Collapse," are estimated at £900,000,000.¹ For example, in February, 1904, the total value of the 325 representative securities on the London Stock Exchange, stood at 2,897 millions sterling, the lowest figure recorded for a decade.

Then take the company promoters' swindling operations, by over capitalisation and by other methods. This is demonstrated by the Board of Trade's Annual Report under the Companies Winding-up Act of 1890.

Taking 1903, as an example. The total amount of capital involved for the years 1894-1903—that is, for ten years—in company liquidations, distinguishing capital subscribed by the public, or otherwise, in cash, and shares issued to vendors as fully paid-up for a consideration other than cash, was, according to the Inspector-General of Bankruptcy : Public, £271,000,000 ; Vendors, £290,000,000—total, £561,000,000.

The Inspector-General remarked "that it is not to be assumed that the whole of the £561,000,000 involved in these liquidations has been lost. With regard to 51 per cent. of this amount, representing a

¹ Considerably increased up to March, 1906. See footnotes, pp. 234 and 236 ; also Appendix, Note 19.

loss by the vendors or the holders of vendors' shares, it may be said that probably the larger portion of this is due to an originally inflated capital, or in other words, that it was never represented by real assets. On the other hand, it must be borne in mind that *in addition* there must be taken into account the loss to creditors and debenture holders, of which there is no return."

Then, we have the enormous increase in the expenditure of the Government during the past ten years, the war debts, the State funded and unfunded debts, the municipal debts, and many others. For example, the debts of the local authorities in England and Wales rose from 1875 to 1905 from £93,000,000 to about £390,000,000.¹ And, on the other side, we have the country overburdened with all sorts of taxes, imperial and municipal, as well as various Government subsidies, most of which are yearly on the increase.

Mr. Gibson Bowles, M.P.,² in his address in November, 1905, to the Manchester Institute of Bankers, putting the position in a nutshell, said, "that the total national liabilities, State debt, contingent liabilities, and local debt, amounted altogether to the stupendous, almost incredible, total of £1,395,614,208, and they had increased in the last ten years by no less than £425,000,000."

May I suggest to the Chancellor of the Exchequer, under these circumstances, and taking into

¹ The grand total for the United Kingdom for 1903-4 was £469,231,000.

² The foremost apostle in England for "sound finance, freedom in trade, and honesty in politics."

consideration the various items of the estimated losses to the country at large, such as I have before enumerated, in connection with British finance, trade, and agriculture, that he prepares for the benefit of the country a national balance sheet, showing all such items, with interest and compound interest up to 1906. If he will carry out this suggestion, he will be able to show and prove to the country by substantial facts, the reasons why the nation is slowly, but surely, bleeding to "financial death."

The result of such a state of affairs on Labour must soon be simply appalling. The Government seems to forget that Labour is one of the noblest and greatest causes in the land to-day; that its rights are great; that they lie at the root of the industrial question, and are inseparably bound up in the economic problem of the State; and that if the nation is bleeding to financial death, honest labour, like honest capital, must suffer; and both must, sooner or later, come to the fore as the most important and serious national problems which the country must face.

Yet the members of the Government, and the majority of the Houses of Parliament, seem to treat all these facts as merely the dispensation of Providence, and appear simply surprised that the state of agriculture, trade, and finance, as well as the nation at large, is not all that could be desired, and that labour, in the shape of the unemployed, which is solely dependent upon the prosperity of the country, is in such a state of chaos!

To meet such a ruinous state of national, imperial

and municipal affairs, all we have witnessed in the past two years in the House and throughout the country is constant wrangling, day after day, upon the mere question of reform in the fiscal policy in relation to Free Trade, Protection, and Retaliation—the two latter put forth to cure the same.¹

In my opinion, they are quack remedies of the shallowest and most artificial kind, and mere red-herrings drawn across the path of truth in order to conceal the true and principal cause of the ruin of our country, which lies, as I shall prove, in the accursed international systems of trade and finance, which I am now exposing.

With regard to these subjects, I can specially bring forward the following economic tributes.

If we had repressive legislation in Great Britain, the same would not be an artificial remedy, nor would it upset the present wise fiscal policy under which Great Britain flourished for many years, up to the time of the introduction of these gambling systems. It would not cost the nation any money. It would not “artificially” increase the cost of living to the working and industrial classes. It is also neither a socialistic nor a revolutionary remedy.

It strikes, in my opinion, at the root of the evil which is causing the ruin of finance and agriculture, the decay of many of our great industries, and thus increasing lack of employment throughout the and, and poverty in millions of our population.²

¹ The world knows in 1906 that Mr. Balfour's Retaliation = Mr. Chamberlain's Protection.

² See Mr. Balfour's views, p. 297.

Can any man deny these facts, after the evidence I have already produced, and will yet produce later on ?

I have already dwelt upon this subject from two of the highest points of view, with the same object, as most men will be aware : in parliaments, at any rate it is the case with the British Parliament, the day's work is preceded by "prayers." I will quote them in full. They are as follows :—

"Almighty God, by Whom alone kings reign, and princes decree justice ; and from Whom alone cometh all counsel, wisdom, and understanding ; we Thine unworthy servants, here gathered together in Thy name, do most humbly beseech Thee to send down Thy heavenly wisdom from above, to direct and guide us in all our consultations : And grant that, we having Thy fear always before our eyes, and laying aside all private interests, prejudices, and partial affections, the result of all our counsels may be to the glory of Thy blessed name, the maintenance of true religion and justice, the safety, honour, and happiness of the King, the public wealth, peace, and tranquillity of the realm, and the uniting and knitting together of the hearts of all persons and estates within the same, in true Christian love and charity one towards another, through Jesus Christ our Lord and Saviour. Amen."

Those members, who also daily or weekly utter the sacred words "Give us this day our daily bread," and which necessarily includes all raw materials given by God for the benefit of mankind, must be fully aware that the daily action of the exchange gamblers, under the "bull and bear" systems of dealing in "fictitious" raw materials, are doing all in their power to prevent the words of that prayer being carried into effect.

The result of this, and I say it with all reverence, is a daily war between God and man.

And nations, like individuals, who allow such a state of daily warfare to continue, must realise that the end can only be in one disastrous way—man suffers.

Thus, in face of the solemn words in the before-mentioned prayers, it is patent that the members of the Government and of Parliament have neither done their duty, either to their God, their King, or to the people, who have elected them with that object. While, with regard to the words “laying aside all private interests, prejudices, and partial affections,” I can only utter—what irony!

It is not for me to know the reasons why these men have turned a deaf ear to these subjects. I am not in the secrets of the Cabinet, and do not wish to be.

I have often thought whether it could be the undue power of the Jewish and other capitalists, or whether it was due to the stock, produce, and cotton exchanges, being directly represented by members of the late governments, or whether it was due, as others have pointed out, to the fact that the members of the Government, as well as a large majority in the House, are directly interested in City finance,¹ owing to the large number of directorships they hold? Suffice to say they have done so. They have to deal with their own consciences.

But what I do assert is that they have proved themselves antagonistic to the “uniting and knitting together the hearts of all persons and estates in true Christian love and charity, one towards the other,”

¹ See Appendix, Note 17.

by refusing to increase the widespread dissemination of humanitarian doctrines, in the interests of the poor and of peace and goodwill amongst nations.

For what is the record of the Balfour Government for the past eleven years, with regard to its affairs within the boundary of the British Empire?

Many able and honest men have been forced to resign office. It has been a Government of "monopolists." The British Army is reduced to chaos. The Volunteers have been snubbed. All necessary reforms have been neglected. The most sacred pledges have been despised and violated. Session after session has been barren or disfigured by reactionary and sham legislation. Parliament has been turned into ridicule. All home and Irish questions are neglected. South Africa is on the verge of bankruptcy: the status of labour, by the introduction of Chinese into Africa, is an insult to the "free" labour of the world.¹ The finances of the country are in disorder. Taxes, both imperial and municipal, are rising by leaps and bounds. Expenditure is rampant. Efficiency is not maintained. The state of trade is critical. The position of agriculture is perilous.

We are on the eve of a general election.² Sir Henry Campbell-Bannerman, in a letter published in the Press in 1905, said, "A straightforward Government requires a straightforward policy." Exactly so, and I can only hope, in the interests of the nation, that should a Liberal Government be

¹ Confirmed by House of Commons, February 23rd, 1906, by 416 votes to 91.

² Result of General Election. See Appendix, Note 17.

returned, it will act up to the words of its leader. It would then, and only then, deserve well of the nation.

It is interesting to point out the final words in the *Daily Telegraph* leader, in reference to Mr. Balfour's speech of November 14th, 1905, at Newcastle, *apropos* of the position of electors as a body, and the coming general election, especially as the simile is so applicable to my subject in general.

The words were: "They will give whatever verdict they please; they may be inclined to gamble in 'futures,' and, like speculators at the time of the South Sea Bubble, put their money in a company 'not yet formed.' Sulky owners of 'gilt-edged securities' may negatively encourage this folly, though they will be the first to suffer. Mr. Balfour, if we may continue the metaphor, has done his utmost to steady the market, and if he has failed, the victims of the inevitable slump must not lay the blame on him."

Now following this metaphor further, the writer of the article could not have demonstrated the serious position of the electors in a truer light. For, by the deception of the Government in relation to their proposals of fiscal reform, the electors "do not know where they are," while the simile proves that the economic position of the country, like the electors, being on a "gambling" basis, must inevitably be also insecure.

It is a pity Mr. Balfour has only done his utmost to steady the political market. He must have been aware, during his long reign of office, of the slump

that has taken place in gilt-edged and other vested interests, under the gambling in "futures" and in financial operations *à la* the "South Sea Bubble."

Therefore, the political as well as the financial and commercial "slumps" rest on his and on the members of his Government's shoulders, whatever the verdict of the country may be.

Speaking as a Conservative all my life, I would sooner see the Liberal party, or the company "not yet formed," in power, with a straightforward and honest home and internal policy, than the present so-called Unionist party remain in office, with its underhand schemes for the establishment of Protection, or Protection in disguise, under the name of Retaliation.

Retaliation, in any shape or form, must inevitably land the nation in a tariff war, the deadliest of all wars,¹ especially to Great Britain situated as she is. For, if certain foreign countries were to unite together and fight it out to the bitter end, the result on the nation could only be most disastrous and ruinous.

Quos Deus vult perdere, prius dementat!

A British ex-Cabinet Minister said, some years ago, "Governments, like individuals, sometimes go mad."

Is this applicable to the British Government or to myself, in connection with this great subject? For, although this term has been applied by the Press to myself, I can point out with solemn truth,

¹ Read Blue-Book of 1904 on Continental Fiscal Wars between European States.

that the whole of the evidence produced all over the civilised world, proves that it is applicable to the Government, for it stands isolated in its opinions.

But if the Government has not gone mad, it has not been straightforward or honest.

It wilfully deceived the King, when his Majesty referred in his speech from the Throne, in 1904, to the causes which had led up to the insufficiency of cotton supplies for Lancashire. The many letters I have written to the members thereof, as well as the numerous questions I have asked in the House through members, have been skilfully evaded. Mr. Field, M.P., has had the greatest difficulty in getting his questions even placed on the "Paper." Every official and Government stratagem has been used to deceive. No satisfactory answers have ever been obtained.

No one in high authority appears strong enough to speak the truth. The true spirit of Patriotism—the life-blood of all nations—seems to be a dead letter. Instead of *Noblesse oblige*, which ought to be the standard of all men, it is all "self" in the present day: party politics (the curse of the age) first, votes second, and country last.

The House of Commons seems the last place for a man with a conscience and determined to live up to it, irrespective of consequences. Such, apparently, is the state of mind of the members of Parliament whom the nation had sent to Westminster to manage its affairs.

Consequently, the House of Commons has proved itself wilfully incapable of dealing with this and

other vital national questions which are threatening the very existence of this country and of its colonies.

But I do not throw the entire blame upon the foregoing individuals, in connection with this question, as well as all the other social or economic evils, which are apparent on every side. I blame the heads of the various Government departments, especially those of the Boards of Trade and Agriculture. Ministers are mere "puppets" in their hands.

The condition, it would appear, of all Government departments is "rotten." Personal spite and individual jealousies keep the heads of the departments in a state of continual enmity. I have gained this knowledge from fifteen years of personal experience. There appears to be no intelligence, no efficiency, and no absolute devotion to the best interests of the Country, especially in matters of Trade.

The whole machinery of the Government appears to be in the hands of the heads of the various departments. It matters not, whether it be the speeches of the late Lord Salisbury or of Lord Dudley in the House of Lords on these gambling systems, or the answers of the various members of the Government in the House of Commons, or the reports of "The Royal Commissions on Agricultural Depression" in 1893, or on "Food Supplies in Time of War" in 1905, I can detect the "sure handwriting on the wall," emanating directly from the heads of the Board of Trade. This has been as clear as daylight.

And I maintain that, if we are to be efficient people, all the heads of the great Government departments ought to be of proved ability, and especially of sterling honesty, for, without this, we can have no efficiency. An inefficient nation must, sooner or later, go to the wall. It is absurd that the heads of the departments should virtually be the rulers, and that they should preside over the destinies of the country. For, through the mouth of Ministers, they, as I have pointed out, rule the country.

The result is, that all great social and economic problems remain unsolved ; and is it any wonder, under such circumstances, that British trade, agriculture, and finance are gradually " going to the dogs " ?

The fact is, and I write it with deep regret, I am firmly convinced we are becoming a brainless people, loving shams and hating realities. The serious affairs of life are being neglected. Man-worship and gold-worship are the orders of the day. Proficiency in games commands far more consideration than any patriotic achievement, whatever that form may take.

Luxury of the rich and the sacrifice of everything that is noble in order to obtain undue wealth are the curses of the day which are threatening to engulf modern humanity.

History is only repeating itself. It is an unalterable law that when a nation arrives at that degree of luxury and extravagance which tends to enervate and enfeeble the race, then decadence sets in, with

the inevitable result of extinction as an individual race. The disease is parasitical and must be checked. The statesman who has strength and courage to do it would be recognised by history as the saviour of his race. For it concerns the future of our country, of the Empire, and of the British race.

The signs of the times are ominous. Religion, in its true sense, is a thing of the past. Sanctity for the Sabbath is scoffed at. Public and home worship is disregarded. The sacredness of the marriage tie is laughed at. Social crimes are winked at. Government, municipal, and other scandals are on the increase. The basis of "Society" is rotten. Physical and moral, and consequently national, deterioration have set in.¹ Life is artificial. Man is becoming effeminate, with all its curses; in consequence women are becoming masculine, and supplanting men, at their expense, in the world's work. Patriotism is at a discount. The army is demoralised also. The towns are overcrowded. The depopulation of the country continues. There are cries of "no work" and "back to the land." Poverty is increasing. Millions are on the verge of starvation. The questions of the unemployed and of the unemployable are appalling. The workhouses and lunatic asylums are overflowing. The birth-rate is declining. Race-suicide has set in. The curses of drink and gambling continue unabated.

In fact, social and economic problems stare the nation in the face on every side. And what are

¹ See the Director of Recruiting and Organization Report for 1906.

governments and parliaments for, if not to solve these national problems and work out sound remedies, in the interests of their respective countries?

I have already referred to the United States of America and to France, with regard to certain of the before-mentioned social and economic problems in direct connection with "prices" and the gambling systems in "options and futures." I have done so, because during my thirty years' experience I have witnessed their gradual immoral national effects, not only upon these countries, but upon Great Britain, for, in conjunction with this latter nation, it has been most marked, and it is these three Christian countries which stand out most prominently in 1906 as, what I may term, the "Gambling Nations."

I especially noticed the ruinous economic effects all over the world during the "unnatural" fall in the prices of cereals, say, when wheat fell from 40s. per quarter to 17s. 6d. ; also during the unnatural fall in sugar, when beet-sugar declined from 21s. to 7s. per cwt. ; also in cotton, say, from 8d. per lb. to 2 $\frac{3}{4}$ d. The same was the case in wool, and in all the other leading "world's" commodities that came under those accursed systems.

First, the world's producers were paralysed, then the workers, then the land, then the users and consumers, and last of all poverty, misery, and the unemployed questions cropped up, ending in a declining birth-rate and race-suicide.

And it is a remarkable fact that, in connection

with the two latter national evils, France, the United States of America, and Great Britain, of all the leading nations, stand out as the most notable examples, and I associate it with the "unnatural" fall in prices under these systems which has gradually been taking place during the last thirty years.

I will take the United States first. As is well known, President Roosevelt has attempted by every means in his power to grapple with all social problems, whether they take the form of corruption in the Government, the Presidential elections, the Parliament, the public departments, or in the various economic causes which destroy honest trade and finance.¹

Trusts, railways, the curses of financial and commercial gambling, &c., have all been attacked, quite irrespective of consequences to himself, political or otherwise.

He is determined, so far as one man can, to put an end to all "scandals" in connection therewith; and heaven knows, what with the public scandals in the Board of Agriculture in connection with cotton, in the Post Office, as well as in the swindling revelations in the State Life Assurance Companies, the beef and other Trusts, too numerous to mention, the years 1904 and 1905 reveal a state of moral wickedness that warrants language far stronger than I care to place on paper.

But I will quote the President's own words delivered last year at Harvard University. He

¹ See Appendix, Note 7.

denounced the millionaires directing the great corporations and trusts, who, he said, "increased their wealth by unlawful business methods." After referring to the millionaires as law-breakers, he remarked, "It is far more important that men should conduct their business affairs decently than spend the surplus of their fortunes in philanthropy."

Mr. Jerome, the District Attorney of New York, last August, in a public speech in New York, also pointed out that a "social crisis" was coming to the United States. He denounced all forms of "graft," as he termed it, that is, illicit commissions, bribery, and corruption generally. Amid manifestations of general approval, he declared "that the country was honeycombed with graft, and that both political parties were controlled by grafters. The newspapers were filled with graft, and graft was the shame of the Senate, the Congress, the City, and the State. 'Graft' in public life was only the reflection of 'graft' in commercial life." He also denounced, like Mr. Roosevelt, in the strongest language, the "so-called philanthropists in the shape of the millionaires." But the London *Morning Post*, of last August, puts the matter of corruption in a nutshell. The article is as follows:—

"Is American corruption on the increase? Comparing present and recent crops of scandals with those of the spacious and productive past we should hesitate to say it is. Yet it seems certain that America has never been treated to such a succession of 'revelations' as during the past two or three years. We have recently published a telegram which bore directly on one of them. A few weeks ago it was discovered that an official in the Agricultural Department, which prepares and publishes the

reports and estimates on the cotton crop, was engaged in selling the advance information thus acquired to brokers on the Cotton Exchange. Our telegram of Saturday announced that two men, who are supposed to have acted as his intermediaries, had been arrested. A still later telegram states that the official himself has been indicted. That is one scandal, and by no means the biggest. For the past six months and more all America has been absorbed by the disclosures of gross irregularities in the management of one of the largest insurance companies in the country. Within the last two years there have been three exposures of gigantic stock company frauds, each one of them worthy to rank in rascality with the worst we have ever known—and we have known some pretty bad ones—in England. Since 1903 three United States Senators have been indicted, and two of them convicted. It is less than three years since the National Post Office was found to be a nest of jobbery and corruption. Philadelphia at this moment has only partially, and by the most heroic measures, loosened the hold of a band of robbers. The present Governor of Missouri owes his position simply to the courage with which, as District-Attorney, he exposed the rottenness of the Government of St. Louis. Only a few days ago the district attorney of New York declared that the city's police force was as bad as ever, honeycombed with corruption and blackmail, and in formal league with thieves and murderers. It is impossible to pick up an American paper from whatever State without finding it filled with the details of some local scandal. Arkansas, for example, has recently indicted four state senators and two representatives for bribery. The California Senate has expelled four of its members for the same cause. Kansas has appropriated £3,000 to probe well-grounded reports of official dishonesty. Louisiana is struggling to eradicate blackmail and the protection of crime from the New Orleans police force. Texas is trying to round up a band of car line 'grafters.' Wisconsin, after expelling a member of the Senate, has indicted twenty-one members of the Milwaukee Municipal Board. Oregon is busily investigating land frauds. South Carolina has on hand a liquor dispensary scandal, while Nebraska, Minnesota, New Jersey, Connecticut, West Virginia, Ohio, and Indiana have each and all 'revelations' to deal with

of greater or less magnitude. It is an appalling list, all the more appalling as almost every item on it is directly connected either with politics or with the business of official administration. There is no one general cause, so far as we are aware, that will explain it, unless it be that the desire for money is keener in America than elsewhere, and that questionable and even unscrupulous methods of getting it are more readily condoned."

Dr. Butler, of Columbia University, a great citizen, as well as a great educationalist, declared in October, 1905, "that the painful lessons in practical ethics which the American people were receiving were all due to the lack of moral principle. New statutes might be needed, but statutes would not put moral principle where it did not exist. Greed for gain and greed for power had blinded men to the time-old distinction between right and wrong."

One cannot take up any American newspaper without seeing the above views confirmed to a letter. The principal Philadelphia paper remarks, "The country is filled with stock companies whose capital bears no fair relation to the assets, but which have been launched by rich men for the purpose of filching the substance of poor men.¹ The land is strewn with the wrecks of enterprises devised by millionaires for no other end but the robbery of their unwary fellows. Invariably it is the already rich who bribe legislators and buy public officers and corrupt public journals and carry the stream of pollution into all the channels of politics."

FRANCE.

The same is the case in France.² The papers are

¹ See Appendix, Note 7.

² See p. 169.

full of similar scandals. From the Government downwards all are, with few exceptions, more or less corrupt. The government is in the hands of the Jews and the Bourse. Bribery is rampant. It permeates the highest classes. The remarks made in the last few paragraphs are especially applicable to this country, as they are indeed to a smaller extent to England, with the exception of the Government and Parliament—political bribery in England in the present day being conducted, not as in former times by the almost open delivery of bank-notes, but by judiciously assigned honours. It is more economical. It is a cheap substitute for money payments. But it matters not how that political bribery-money has been obtained—the origin, in most cases, of such honours; whether honestly or dishonestly, it is all the same, and such a rotten state of affairs must *per se* cause general demoralisation throughout the country, and become a social peril to all classes, political or otherwise.

But, in all matters of finance and trade, the same swindling methods as in the United States are adopted, both in France and in England, by the already rich and those in the highest places. The ruinous results all over the world are becoming chronic. I have quoted numerous examples in both countries in my former books, while, in 1904 and 1905, many others, too numerous to mention here, have taken place. I allude to a few of the most prominent in special chapters.

As I stated in my preface, it is not men I attack, but the systems; but under them there is

the moral side as well, which, however, is out of my province. From this point of view, it seems to me that the individual character is at stake, whether it be applicable to an American, Frenchman, Englishman, or to any other nationality. Political giants and the capitalists work together for the spoliation of the people. It is the spirit of "graft" in the shape of gold which is at the bottom of it. It is the universal desire to get rich by any means, honest or dishonest, that is blinding the moral sense of all such individuals. And in order to accomplish this end, the most disastrous consequences to the world in general are the results.

The position of all such men, whether they be Jews or Christians, is truly summed up in the November, 1905, number of the *American World's Work*. It says: "Few of such are bad men. Few of them ever think they have done anything wrong. Among them are men not only of commanding ability but of good private character also. Their personal code of honesty is as high as any other men's. It is the other code, the code of high finance, the corporate code, the Wall Street code, the Stock Market code, the promoters' code, the political code—call it what you will—that is our undoing—and this is not an honest code, but it is by this code that honest men permit themselves to do dishonest things."

And what is the sole reason for such a deplorable state of affairs? Why, the greed and idolatry of gold. There is no other. It is the motive force, both in and out of parliament. Most governments and

parliaments are swayed by a bias towards personal monopolies and mere gain instead of humanity in common. The rich, under these gambling conspiracies, are becoming richer. The poor, under the same, are becoming poorer, and this justifies my former remarks about Great Britain, France, and the United States of America in particular becoming godless and God-forgotten in their pursuit of wealth and haste to be rich, and, in consequence, hastening the downfall of one and all.

People talk glibly of the "yellow peril," but the real peril which is threatening the destruction of the world is the yellow peril in the shape of "Gold."

And the principal basis of all these swindling acts in trade and finance is directly traceable to "bull and bear" international operations on the world's exchanges. It is by such conspiracies that men become millionaires and multi-millionaires. By such operations, capitalists are enabled to rob the public yearly. If both these transactions were treated by the governments of the world as illegal, these swindles would cease, as their bases would be removed.

The international "bear" operator is the direct cause of the economic ruin of the world, for he is the origin of all such unscrupulous operations.

The governments of all European countries in ancient times had laws against somewhat similar conspiracies. Why should not the governments of the world have equally stringent laws against these modern systems, which are ten thousand times more ruinous ?

GAMBLING.

All countries, including the United States, France, and Great Britain,¹ have certain laws against all other forms of gambling, which they recognise are harmful to their respective States, with the object of protecting the innocent.

But this form of gambling in "futures" on the world's stock and produce exchanges is far more world-reaching. There is no question of such transactions being considered by honest men, as gambling operations in England. For, in the last important case, tried in Liverpool on December 18th, 1905, in relation to dealing in "futures," the Judge, in his summing-up, pointed out, in reference to the technical wording of the "future" contract, "which, though for a certain reason, saved them from being gambling in law, they were in effect as much gambling as if they were done on the Stock Exchange, at Monte Carlo, or in the betting ring on a race-course." They constitute a form of gambling at the expense of a third and helpless party, and thus indirectly stab millions of innocent people behind their backs. They are gradually causing ruin to all leading national industries. They are affecting the prosperity as well as the honour of governments, and indeed of the nations themselves.

They also enable the great capitalists to dominate over all such, as well as being a terror over the bourses of the world. They allow, by the abuse of

¹ Latest. The Government's support in March, 1906, of Lord Davey's "Betting Bill."

capital, a form of tyranny by the strong over the weak.

Prohibit "bear" sales and all power is taken out of the hands of cunning, unscrupulous intriguers and market manipulators. Prohibit all "fictitious" dealings, and these men would be unable either "artificially" to depress prices, or create unnaturally high prices by the "cornering" process.

Why should governments allow systems, by which the great capitalists can dominate the world? It is the defenceless who ought to be protected. Do away with "fictitious" dealings, and no ten Rothschilds, Rockefellers, or Pierpont Morgans combined, could "corner" or "smash" any of the world's leading commodities or shares.

It is this canker in modern international trade and finance, which is gradually, but surely, eating into the very vitals of the world's agriculture, trade, and finance, and causing untold and hidden miseries to tens of millions of God's people. Is it any wonder, under such circumstances, that in Great Britain, for example, we have millions of its inhabitants poor, starving, and homeless? It is a disease which is galloping the past few years, and spreading wholesale destruction, as I have proved, to man's mind, body, and soul.

It is not an hereditary or incurable disease, nor an unknown one in the twentieth century. It is due to *man* alone, and can be cured without the cost of money, and one that I maintain must be, in the cause of civilisation and in the furtherance of the world's peace, prosperity, and happiness.

For these accursed systems are bringing about unmistakable signs of retrogression in every part of the civilised world, causing a spirit of unrest and anxiety throughout all classes, besides perplexity concerning all vested interests, whether they be in land, products, moneys, shares, or in labour.

This retrogression has only taken place since the exploitation of capital became a science under these systems, and since the international "bear operator" became the ruling curse over the bourses of the world.

It is not a question as to whether governments are high-minded and honourable or the reverse. It is simply a question, as to whether governments have realised the unjust power of these capitalists or empire-wreckers under these systems, and their low intrigues in the bourses of the world, under the abuse and power of capital.

Certain governments, like the majority of the world, have been misled and deceived by all interested parties for years past, while there are some, as is well known, most notably the American, French, and British, which are either under the financial heel, power or advice of Jewish and other capitalists.

But these are no solid reasons, as I have pointed out, why even such Christian governments should not do their duty, both to their God and to their fellow-creatures. Until they do so, and recognise all the serious consequences, and attempt to grapple with them, this retrogression must continue until chaos reigns supreme. That day, in my humble

opinion, is not far off. There are already signs all over the world—north, south, east, and west.

Unionism, socialism, hooliganism, anarchism, communism, revolutionism, and other “isms,” are apparent on every side, and all ranged against capitalism—not to honest capital, but to the numerous underhand methods employed by dishonest capital, in all the great financial centres of the world.

It will not be a “chaos” caused by war between nations, or by a holy war, or by an anti-Christian, Jewish, or fratricidal war, but it will be one solely brought about by a general insurrection, in the shape of an anti-Capitalistic war.

And is this to be wondered at, under the unfair and immoral systems of modern trade and finance, as well as the numerous and unscrupulous conspiracies in both, which capitalists hatch, in order that they can dominate over and ruin the bulk of the world, and taking into consideration the further serious fact that even monarchs and governments patronise, countenance, and play into the hands of these said capitalists?

May the further solemn facts I bring forward open the eyes of one and all before it is too late; and, by the recognition and by the prohibition of these accursed international systems, thus save the world from its economic ruin!

This is my earnest prayer, in the name of justice, and in the interests of the world’s humanity.

THE ROYAL COMMISSION ON SUPPLY OF FOOD AND RAW MATERIAL IN TIME OF WAR.

IF the British Government will still continue to turn a deaf ear to the question of international gambling in "Options and Futures," with regard to British "Agricultural and Trade Ruin," I can only trust it will not do so to the still more important National and Imperial questions of our "Food Supplies in Time of War."

For I can first point out that, if a sound remedy is found for the latter, it will to a certain extent provide one for the others too, and "Back to the Land" and other economic and social problems will be partially solved.

In connection with the above most important subject, which concerns the very existence of the British Empire, I have from the very first associated the question of our food supplies in time of war with the subject upon which I am now writing.

One cannot be dissociated from the other, as I shall prove. It goes to the root of the evil, being equally applicable to the questions of agricultural, commercial, and financial ruin. And I am convinced, that unless a sound remedy is found, the downfall of the Empire is a certainty, in case of war

with one of the leading European or other great food-producing nations.

But, before I dwell upon these factors, I am forced to refer to the Royal Commission appointed in 1903 to investigate this subject, from a personal point of view.

When the Commission was first appointed, I was ill, too ill to offer to give evidence. I wrote to the Chairman, Lord Balfour of Burleigh, to this effect. He answered saying, he was very sorry I could not give any oral evidence before them. I answered, that I was ready to substantiate on oath, by the usual legal documents, the various evidences I had already given before the "Royal Commission on Agricultural Depression" in 1893, before "Yerburgh's Committee of Inquiry on National Wheat Stores in case of War," in 1897, as well as in my statement on "Leiter's Wheat Corner," prepared in 1898, at the express wish of the Board of Trade. I also offered to substantiate on oath all the facts I had written in my numerous books, as well as the arguments stated therein.

Thus the position, so far as I was concerned, remained. But, some few months afterwards, Mr. Field, M.P., at my suggestion, asked the Prime Minister various questions in the House in connection with "Option and Future" gambling, as to the scope of investigation by this Commission.

He elicited the answer, that the Commission had orders to "look into their subject from certain aspects, in connection with the question of options and futures." That satisfied Mr. Field and myself.

And since that period I have written numerous and most important letters to the Chairman, on all the actual object-lessons which had arisen in all parts of the world from 1903—05, to prove my contentions in connection with my subject, all of which I have been thanked for, and they have been duly and officially acknowledged by the Secretary.

Now, how have these letters, as well as all my past evidence, etc., been treated in face of Mr. Balfour's assurances? Why, all have been absolutely ignored in the three Blue-Books published by this Commission.

They have been "*suppressed*," just as in a similar manner the "Royal Commission on Agriculture," in 1895, suppressed my specially prepared evidence.

In August, 1905, I wrote to the Secretary concerning this. His answer of September 2nd is as follows: "I have to point out that the letters addressed by you to the Chairman (Lord Balfour) of the Royal Commission dealt with the question of 'Futures and Options,' and that with regard to this subject the Commission state, in par. 164 of their Report—'We have some doubts as to whether this question is altogether germane to our inquiry, and we therefore do not propose to deal with it in this Report.' . . . Under these circumstances, there is naturally no reference to your letters in the Report and other volumes. The Chairman's memorandum on 'Futures and Options,' which appears in the Appendix Volume, was prepared by himself from information collected under his own supervision. I have shown him your letter of the 25th ult., and

he regrets that you should think you have any grievance, but he asks me to point out that your letters to him were unsolicited, and that it would be impossible to carry out the work of a Royal Commission if the principle was admitted that the receipt of communications necessarily involved reference to them in the Report."

I maintain, under the true circumstances I have stated, which I can prove, that this letter is a mere quibble, and that the whole of my letters, which formed my evidence in black and white from 1903 to 1905, have been suppressed, and wilfully ignored, for reasons best known to the Chairman and to the Commissioners; and on an international question too, which has been the study of my life, and one which concerns the very life or death of Great Britain in time of war. Without being egotistic, I can also say with truth I am looked upon all over the world as one of the leading experts concerning it.

It is enough to make a man sick of all public work and "to chuck up the sponge." I am aware of the truth of the proverb "a prophet and his country," but as an Englishman I did expect fair play. But, instead of retiring from my crusade, it makes me stick closer to my work and more determined than ever to expose the ruinous effects of these international gambling systems, not for any good it may ever do me, but for my country's sake and for its future welfare, my work arising from pure philanthropy.

Now I will first deal with the Secretary's letter

to myself, as well as with the Chairman's memorandum as referred to in his letter. Being a practical man I fully realise the wrong impressions such influential, biassed views must cause, even if it be only "one man's" opinion.

The Report says that "we have some doubts as to whether this question (Options and Futures) is altogether germane to our inquiry, and we therefore do not propose to deal with it in this Report."

The terms of reference in connection with this Commission are as follows: "To inquire into the conditions affecting the importation of food and raw material into the United Kingdom of Great Britain and Ireland in time of war; into the amount of the reserves of such supplies existing in the country at any given period; to advise whether it is desirable to adopt any measures, in addition to the maintenance of a strong fleet, by which such supplies can be better secured and violent fluctuations avoided."

Now I will take these points *seriatim*, and will prove that one and all are solely wrapped up in the international option and future systems, and consequently that they are germane to the inquiry of this Commission.

1st. The sole basis, both for the exportation and importation of the principal food products, as well as of other raw materials, lies in a "bear" sale of options and futures. I will instance the most important—wheat, barley, oats, maize, flour, bacon, hams, lard, provisions, oils, wool, cotton, sugar, coffee, indigo, currants, iron, copper, tin, silver, etc.

2nd. The principal reason, as per the Report

of the Commission, why the reserve of these food-stuffs, etc., existing at any given period does not exceed a few weeks' supplies, is owing to the power and fear of the "bear" operator, under the option and future and warrant systems.

3rd. Consequently, the only measures to adopt by which supplies can be better secured, in addition to a strong fleet, is to do away with these gambling "bull and bear" systems, which are the basis both for exporting and importing those supplies. For no fleet, however strong, can regulate the extent of the operations under these international systems, or can ensure those supplies being better secured, so long as these systems are in existence.

4th. The gambling in options and futures is the sole cause of violent or unnatural fluctuations. The markets, under them, can never be stable.¹ It is not in the interests of the gamblers. They must either be under "bear" influence or "bull" influence, in the shape of "corners" and manipulations. In time of war, prices will be solely under the power of the "bulls"—whether they take the form of hostile governments, capitalistic syndicates, or market-gamblers.

Therefore, this being so, how can Lord Balfour of Burleigh say with truth that "we have some doubts as to whether this question is germane to our inquiry, and we do not propose to deal with it in this Report,"² while his own memorandum shows conclusively that in his own mind it was germane to the inquiry; otherwise, why should he have written

¹ See Appendix, Note 5.

² See p. 192.

and published such a lengthy statement in the Report?

He is right. The question goes to the root of the evil. But he is absolutely ignorant of the subject. He is no expert. His deductions are wrong. His conclusions are illogical and inconsistent with proved facts. His information must be based on those of interested parties and is contrary to evidence all over the world. Consequently the truth is suppressed.

His views are dead against the opinion of all experts.¹ The real views of experts have been withheld from the nation, and the country is deluded by such a statement and Report, professedly based on expert opinion, but in reality made for political purposes in direct contradiction to all expert opinion. Lord Balfour and such politicians are thus enabled to enunciate their own amateur conclusions under the cloak and in the name of the experts. And his final remark in his letter, about the principle of necessarily admitting the receipt of communications as evidence in the work of Royal Commissions proves that the nation, even in matters of the greatest national importance, is sacrificed for the sake of "principle"! ²

Such, however, is the acknowledged case, not only applicable to this question of mine, but to all others which affect the prosperity, welfare, and even life of the nation. Such a state of things is a scandal.

With regard to Lord Balfour's words, in the Secretary's letter, "that my letters to him were

¹ See Mr. Balfour's views, p. 297. ² See Appendix, Note 13.
G. F

unsolicited, and that it would be impossible to carry out the work of a Royal Commission if the principle was admitted that the communications necessarily involved reference to them in the Report "; I can say both are untrue in the proper sense of the word. I can only refer him to the facts, as already enumerated, in connection with my letters as well as to the many published letters, statements, &c., in volumes I. and II., and especially to the one he himself publishes in his own statement from some "respectable" Liverpool firm.

With regard to this firm, it may be respectable, but it is absolutely ignorant of the subject of options and futures. For the letter is full of untruths, is transparently false, and is wilfully misleading in its main aspects. I am ready to prove my words on oath. I cannot, however, help referring to one paragraph, considering the great importance Lord Balfour apparently attaches to this letter, and the prominence he has given to it. It shows its absurdity. It refers to "corners" in canary seed!

I was not aware that this commission was appointed to investigate into the food-products for canaries, but I thought it was solely appointed to look into the questions of "supply of food and raw material in time of war," for the forty odd millions of inhabitants in the British Isles.

Lord Balfour also gives prominence to Emery's opinions. The above remarks apply equally to this man's and to other similar English writers on political economy. They are no experts. They have had no personal experience.

For example, Lord Balfour quotes Emery as follows: "It is the universal testimony of those who speak and write on the subject that under the system prices are steadied and are steadier than they used to be, while the grower reaps an advantage by being enabled to sell his produce, and therefore to know his position much earlier and with much more certainty than would otherwise be the case."

Lord Balfour, in his statement, also says, "it must be obvious to everyone who gives consideration to the subject that neither dealings in futures nor any similar transactions can over-rule the law of supply and demand."

Now, it is well known, that virtually no growers, either in the United States or elsewhere, can, under the wording of the respective "future" contracts, utilise them in selling their produce, and, consequently, Emery's arguments are absurd. It is also admitted in the evidences before this commission, that the elevators' interests and the exchange gamblers, by "future" transactions, dominate the markets of the world, and consequently the prices. These are acknowledged by the world as true economic factors.

While, with regard to the statement, that "the laws of supply and demand are not over-ruled by options and futures," and that it is the universal testimony of those who speak or write on this subject, "that under the systems prices are steadied and are steadier than they used to be," I will give a few of the latest examples in 1903-1905, to prove, that both are false.

Considering that at the time when Lord Balfour wrote his statements he held my various letters to disprove it, it is monstrous that such a statement should have been made by him. For all experts support my views, those who have spoken or written on the question, like myself. There is not a single exception. However, figures, like actions, speak louder than mere words.

In the prices given below, combined with the various gigantic fluctuations, it will be noticed, that they have occurred during one season when the actual supplies were the same. "Bulls and bears" have been the sole cause for both extremes. Unnatural advances have been solely due to "corners," and that unnatural declines are either due to the collapse of the corners or to the failure of the men who engineered them under "bear" operations. Further, both the advances and declines have been artificial, and both have occurred in the space of one week to a few months.

American wheat, 1903-04. Prices advanced from 85 cents to 124 cents, equal 46 per cent. After the collapse of the corner, the price declined to 89 cents, equal $28\frac{1}{2}$ per cent.

American wheat, 1904-05. Prices advanced from 89 cents to 117 cents, equal $31\frac{1}{2}$ per cent. After the collapse of the corner, the price declined to 78 cents, equal $33\frac{1}{2}$ per cent., and English wheat declined, in one week, about 5s. a quarter in consequence.

Canadian wheat, Winnipeg, 1904-05. Prices advanced enormously, say to 135 cents. After the

collapse of the corner, prices fell in a state of panic.

Beet sugar, London, 1904-05. Price advanced from about 10s. per cwt. to 16s., equal to 60 per cent. After the collapse of the corner, the price declined to 8s. 6d., equal to 47 per cent.

American cotton, Liverpool, 1902-03. Price advanced from 4d. to 9d., equal to 125 per cent. After the failure of the "corners," the price declined to 4½d., equal to 54 per cent.

American cotton, Liverpool, 1904-05. Price advanced from 4d. to 6d. per lb., equal to 50 per cent.

Pig-iron, Middlesbrough, 1905. Price advanced from 43s. to 55s. per ton, equal to 28 per cent. After the collapse of the corner, price fell, in a state of panic, to 45s., equal to 18½ per cent.

Thus, as shown, we have had enormous and unnatural fluctuation in prices during 1902-1905, varying from 18½ up to 125 per cent. in one season, when the supplies were the same. I defy Lord Balfour, or Emery, to prove by facts, prior to the introduction of those systems in 1862, any such unnatural range of prices which occurred from one week up to a few months, such as I have proved, even on occasions where there have been exceptional economic causes to produce them.

May I ask the world in general, how can trade be carried on satisfactorily under such an unnatural range of prices as has taken place during the past three years in all the leading raw materials, when those engaged in the honest commerce of the world

never know "where they are," or what level of prices the "bulls" or "bears" will create in the course of a few weeks?

If Lord Balfour requires further examples to disprove his own and Emery's statements, I can refer him to the "suppressed" evidence I prepared at the request of the "Royal Commission on Agricultural Depression in 1893, and especially to the voluminous statistics, years, and prices, appearing in the translated edition of Dr. Ruhland's German book, published by myself in 1896.

However, to give another example to disprove the arguments of Lord Balfour and of Emery, as well as to demonstrate how growers, users, and consumers are ruinously affected all over the world by these international "bull" and "bear" gambling operations, I will quote the arguments of Mr. Macara, President of the "Federation of Lancashire Master Cotton Spinners and Manufacturers' Association."

He points out in the press, that "reckoning the annual cotton crop at four pence per pound, and taking into account what is produced from cotton fabrics, the value of the crop amounts in all to £350,000,000; that a small increase, like a half-penny in the price per pound, means £16,000,000; and that, through the action of manipulators and gamblers in 1903, the price of the raw material was raised from 4*d.* to 9*d.*, or say 5*d.* per lb., that is to say, the cotton planter got the lowest price and the manufacturer had to pay the higher. That means that the enormous sum of £160,000,000 was taken

out of cotton in the process of going from the plantation to the factory."

Add to this amount, the enormous sums of money the world's cotton industry lost indirectly in that year, by "short-time," and also by loss of wages to the operatives as well as the indirect losses to the numerous allied trades and industries, dependent upon the prosperity of the world's cotton industry, and the sum total would probably amount to some £200,000,000.

Now, the above arguments and deductions are equally applicable to the world's producers, users, and consumers, as well as to the various other world's commodities which come under these systems, whatever they may be; grain, sugar, foodstuffs or otherwise. They are irrefutable, and are now acknowledged and proved to be true in substance and in fact.

It was recognised for many years, say from 1875 to 1890, that "corners" only took place now and then, say in about one year in every ten, and that in consequence, on the average of years, the "bears" were victorious and prices were unnaturally put down to the ruin of the producers and growers.

But during the last decade or so, "corners" in various commodities seem to be on the increase to the ruin of users and consumers.

The principal explanation for this appears to be, that whereas in the previous years, as quoted, all corners were due, more or less, to the operations of single individuals, lately, the individual is now completely overshadowed by the combined interests

of enormous combinations with vast capital. That is to say, the individual is not now dependent solely on his own capital, but is supported secretly by capitalists or by syndicates enormously rich, the said individual being only a "dummy," as it were, in the hands of these men.

When it suits these capitalists to throw over the individual they do so, quite irrespective of consequences, and make their "pile" in time of panic by gigantic "bear" operations—causing, again, not only financial ruin to the individual but also losses to everybody else. For, whether the public be "bulls" or "bears," they are utterly powerless to oppose the operations of such men, and the result is inevitable disaster to the world in general.

Hence, it will be seen that, under the power of these rich financial combinations the chances of a "corner" in the foodstuffs of the world, in time of war, are far greater than in previous years, and this factor in the situation has entirely been lost sight of by this Commission.

However, as the Liverpool letter in question, as well as Emery's remarks, supports Lord Balfour's views, I take it Lord Balfour considers it necessary to make special reference to both in his statement and ignore my views and thus get some support, even if it emanates from a Liverpool firm, probably itself interested in the continuance of, or at any rate a champion of these pernicious systems, for which Liverpool is so justly celebrated.

If such men as Rothschild, Sassoon, Goschen, Schröder, as well as the numerous leading London

and Liverpool bankers, merchants, and brokers had been called, and their evidence given on oath, with respect to the various "corners" they have been interested in during past years, in connection with their direct and indirect gambling operations in copper, iron, wheat, sugar, cotton, &c., this Commission would have arrived at the solid truth, according to their "terms of reference."

The facts of such men, would have been more valuable than all the oral evidence which came before the Commission.

They would have proved, that such gambling "bull and bear" operations are the origin of all "corners," and that these "international" systems go to the root of the evil.¹ And they also would have proved to be the one factor in the economic situation that would starve our population in time of war, and would, I don't hesitate to say, have substantiated all my evidence already given, whether before the various commissions or otherwise.

I will now briefly dwell upon the Report. In the first place, I notice, with gratification, that my often repeated pessimistic views, with regard to the critical position of the country, in case of war, are fully confirmed, not only by the Duke of Sutherland's Association, by numerous societies, by all leading corn merchants, and by the various labour organisations, but also by many of the witnesses and by the signed Report of the majority of the Commissioners.

I also notice that my views are specially supported by one leading expert, Mr. Pillman, both as to the

¹ See p. 297.

question of options and futures being the cause of British Agricultural Depression, as well as in connection with food-supplies and raw materials in time of war.

But what strikes me as most extraordinary is the fact that no special evidence seems to have been taken in regard to the causes which have led up to agricultural depression, and what is the original cause why we are so entirely dependent upon foreign nations for our food-supplies.

In the previous chapter I gave some figures *re* Agriculture, and the gigantic losses the nation has sustained in consequence.

Agriculture is the financial-backbone of all nations. It is the origin of the wealth of all nations. Without agriculture, a nation must perish and labour suffer, especially Great Britain, situated as she is, with her forty millions of inhabitants.

Twenty-five years ago, that is, before these gambling systems existed in England in grain, we had about 5,000,000 acres under wheat cultivation, producing about 20,000,000 quarters. Now in 1905, that is since these systems have been in existence in England, when our population has increased by so many millions, we have only some 1,500,000 acres under wheat, producing 6,000,000 quarters. Wheat, to the bulk of our population, in the shape of bread, is the sustenance of life. Such a state of things would not be tolerated in any other country.

Wheat is the ruling cereal over all others. Since 1875, as I have shown, nearly 4,000,000 acres of

arable land have gone out of cultivation, and large tracts have been allowed to run into "prairie land." And, as a consequence, live stock has only increased since this year by some 10 per cent.

To make our Empire absolutely secure in time of war, we must depend not only upon such supplies of food as shall be found in the country at the moment of trouble, but also make sure of our future supplies. This ought to be our first line of defence.¹ Such is the only remedy to save our nation from certain ruin.

We have some 48,000,000 acres available for cultivation, and it would only require some 9,000,000 acres to be put under cultivation to grow sufficient wheat to feed our population. Cattle, &c., would follow wheat, and with the increase of the latter the former must also increase, for the one cannot be produced without the other.

The all-round economic advantages under such conditions would be enormous, and are patent to all thinking men who have studied the question of agricultural depression in all its branches.

Now all sorts of reasons have been put forth as to the causes for agricultural and trade depression in Great Britain, as well as remedies to cure the same.

We have had the theories of monometallists and bimetallists. Both are as dead as the proverbial "door-nail," not only in this country, but all over the world. Their views have been exposed and found to be hollow. The question of Protection is now put forward as a remedy in England. It will

¹ See Appendix, Note 13.

soon receive its death-blow. For agricultural depression exists, more or less, all over the world, whether in Free Trade or Protectionist countries.

There must be some undiscovered cause, for, as I say, agricultural depression exists all over the world. This has been proved by the readiness of all monarchs and their governments to accept his Majesty the King of Italy's invitation in 1905, *re* the world's agriculture.

The whole position can be summed up in the word—*Prices*.

I do not intend to go into this world's question here. I have given evidence in connection with the international option and future systems in various countries to substantiate my general views as to the cause of it. I have published many books bearing directly on it.

I believe they are the sole cause of depreciation in the natural prices. My views have been confirmed in all countries, except Great Britain.¹ Not only by the farmers of the world, by Parliamentary inquiries, and in consequence, government laws to prohibit these systems, but also at the various international agricultural congresses, held respectively at Budapest in 1896, at Lausanne in 1898, at Paris, and by the United Congress for the Sale of Corn, at Versailles, in 1900.

I trust, in the interests of the world's agriculture, that the same views will be ultimately confirmed by the "International Institute of Agriculture" at Rome. In special connection with this Institute

¹ See p. 110.

and the numerous economic disasters arising from the decay of a nation's agriculture, taking England as my example, I allude to the most important in the following chapter, under the heading of "The International Agricultural Conference at Rome."

For I can here point out that the question of international gambling in "Options and Futures" in agricultural products is the only one before the world in 1906 which deals with "Prices"—the origin of agricultural depression in all countries all over the world, whether Free Trade or Protectionist.

Now the second fact which astonishes me is, that the evidence given before this Commission entirely ignores the basis of all "corners"; also that no evidence was apparently taken on the American Beef and other Trusts, and the result of their swindling operations on the world.

It was admitted that "corners" will be made in food-products, and that, owing to these "corners," the prices of grain and of other raw materials will rise to famine prices.

"Corners" in all the world's commodities, under these international gambling systems, can only be created by the "bulls" "cornering" the "future" contracts sold by the "bears" of *fictitious* products. I have already given many examples.

The result of such "corners" is an unnatural advance in the values of the "future" contracts, and consequently in the prices of the *actual* commodities. They create not only an artificial "actual" scarcity both in the present and future supplies, but also

"Price-famines." The latter being the outcome of the former. And the cause for the former is that in all "corner" years the values of "near" futures are generally put to a big premium over "distant" futures.

Hence, under the present system of importing and exporting all raw materials—that is—on the basis of a "bear" sale—both importers and exporters lose what is called their "carrying premiums" and the importation and exportation gradually comes to an end.

This has been exemplified during the past two years in the international "corners" in cotton and sugar. While, in the "localised" wheat corners during 1903-05, in the United States and in Canada, it was proved that by the price of "near futures" abroad being higher in comparison with "near futures" at home, and the former dominates the prices of the actual products abroad, it was impossible for any traders to import or export those products to a market like Great Britain, where the price ruled so much lower. For example, during 1903-04, the foreign price ruled from 5s. to 7s. per quarter higher than in Great Britain. There is no philanthropy in business. The basis of all such lies in the chance of profits and, where there is no profit on the day but indeed an actual loss staring one in the face, is it any wonder that the exportations from both these countries showed a decrease during those years?

Further, in "corner" years, the importer or exporter in the shape of a "bear," dare not import

or export, because he knows that his "bear contract" will be "cornered," and that he cannot deliver the goods according to the terms of his contract. Why? Because from 60 to 90 per cent. of all such commodities which come under these gambling contracts, are not tenderable under the technical wording of the "future" contract.

It is all very well for men interested in a continuance of these systems, like the President of the Liverpool Corn Exchange and others, in their various memorandums and in their statements of evidence, to attempt to argue, which I refute, that the simple alteration in 1903 in the wording of the "future" contract in England and in the United States has diminished the chances of "corners," by allowing the wheats, &c., of other foreign countries, in addition to American, to be tendered, and that the same will tend to induce more liberal shipments.

The fact remains that the world's food-products, and all its leading raw materials, are on a gambling basis in 1906 pure and simple; and further, that the prices of same are dominated by "bulls and bears" of fictitious products. I maintain that such a state of affairs stands out as a crime against the world.

And this is absolutely proved to be the case by these very same rules. For the President, who also is a member of the Commission, states (page 349, volume ii.) under "corners" as follows: "One of the results of this diminution in the supply of American wheat has been a general

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abatement in the speculative activities of European operators in Chicago. It is stated that the volume of 'futures' has fallen away by about one - half during the last three years. . . . Simultaneously, the amount of 'future' trading has fallen off in other markets. . . . The Clearing House returns in the speculative grain markets of Liverpool, London, and New York show a considerable decrease."

And, in order to resuscitate or increase these gambling operations in the prime necessities of life, all that the members of the exchanges do is to alter the technical wording of their "future" contracts !

For they recognise, as I have pointed out, that where there is a "bear" a "bull" must be found, and consequently, if there are not a sufficient number of "bulls" to go round, not only must the "bear" be victorious and the prices of the actual products decline in consequence, but also both exporting and importing must show a decrease, and the natural trade of the world be upset.

At the very time the President of the Liverpool Corn Association was giving this evidence to attempt to prove that the simple addition to the wording of the American wheat contract would minimise future corners, the world was witnessing one of the biggest wheat and maize corners engineered by Armour and others of Chicago, in the United States and in Canada that has ever taken place. Also, at the same time, when another prominent witness was giving his evidence (I allude

to the President of the Liverpool Cotton Association), the world was witnessing similar "international" cotton and sugar corners, while this man himself was entirely responsible for one of the most disgraceful corners in Egyptian cotton that has ever been experienced on the Liverpool Exchange.

The further and most important questions of our food-supplies from India and from South America were also casually referred to. Why was not the proposal of the gamblers in the last-named country to establish a "future" market for grain in Buenos Ayres taken into consideration, and its probable dire results on Great Britain, whether in time of war or in time of peace? And why was not direct evidence taken on the most infamous practice of "grain speculation" in India concerning the food-famines of that country, which has played an important factor in the question of our supplies during famine years, and which will yet play a still more important one in time of war, especially, considering that since 1901 these two countries have, in conjunction with Russia and Australia, supplied Great Britain with wheat, and made up for the great deficiency from the United States.

Take the famine year in India of 1896-7¹ as an example. *The Times'* special article of the 29th of January, 1897, was as follows: "With modern Indian famines the Indian crops as a whole have never yet proved insufficient for the total food of the population. . . . High prices in the Punjaub now also mean high prices in Bengal; and, while

¹ See Appendix, Note 14.

the peasantry of Western India are suffering intensely, the peasantry of the Gangetic Delta are making fortunes, &c."

The plain English is, the native and other grain-dealers of the latter provinces are making fortunes at the expense of the inhabitants of the former provinces by creating "price-famines" throughout the whole part of that famine-stricken country, or, in other words, by creating "local corners."

This fact has been officially recognised in India, for, in the influential petition that was presented to the Viceroy in connection with the distress existing, owing to the state of famine, amongst various other items for consideration in that petition was one "to ask the Indian Government to stop grain speculation." To confirm the same, I can specially refer to the question and answer asked in the Imperial Legislative Council at Calcutta on February 1st, 1900.

Although the world's international wheat and flour corners of 1897-8, created by Leiter, were also referred to, no direct evidence was taken of the ruinous results of same all over the world in the shape of dear-loaf crises, bread riots, and bloodshed in certain continental countries.

Surely such undoubted facts carry more weight than any such absurd statements or evidence given before the Commission? And why was not such evidence taken by this Commission on all such powerful object-lessons?

Can there be more concrete examples to prove the utter rotten and immoral state of affairs under

the present basis of modern commerce and of the world's trade? And do not such gambling actions by man mean that he is gambling in the lives of God's people? Does not the same prove my general arguments up to the hilt? But what do the capitalists and the members of the world's exchanges care for the producers, users, or consumers, or even those millions of poor Indian ryots who die from starvation? Absolutely nothing.

Some never contemplate the injury they do to others. The younger generation ignorantly imagines that should these systems be abolished trading would be impossible, while numerous others realise the curses of them, but have not the manliness to acknowledge the wholesale ruin caused thereby.

And, so long as these men can make their millions *per annum* out of such gambling transactions, it matters not to them whether the world's *bonâ fide* trade, as well as the world's agriculture, perish; whether Great Britain, India, or any other country's economic position in time of peace be seriously affected, or whether in time of war Great Britain be starved into submission.

I could pull the whole of their so-called evidence before the Commission into shreds. Neither time nor health permits me to do it here. I have briefly dwelt upon the most important factors in connection with this world's subject in relation to "options and futures," and the criminal gambling in the foodstuffs of the world.

Thus the truth stands out in its bare nakedness that if these British "future" contracts, under

these international gambling systems, are detrimental to all British and colonial honest trade, that British farmers cannot utilise them ; and if they also are the economic cause of ruin to British and colonial agriculture, as well as being the direct cause for the downfall of the British Empire in time of war, why, in heaven's name, should the British Government allow them to exist for one moment for the sole benefit of the exchange gamblers? Let any of the Commissioners answer this plain question.

Under the warrants by which the Commissioners were appointed by his Majesty the King their duties are clearly defined. There can be no mistake about their solemn duties and responsibilities, both to their King and to the nation at large. The question is, have they done their duty? I say emphatically, No ; just, as in a similar manner, the Royal Commission on agricultural depression in 1893 did not do so.

To prove the strong animus against this question on behalf of the latter Commission, Mr. Shaw Lefevre, member of the Gladstone Government, and chairman of the Commission, refused to take the chair during the two days of my cross-examination. He had consulted Lord Rothschild¹ on it and hence his views were biassed. The Report of this Commission, like the present one, was also only a "one man's" Report, drawn up by the hand of the monometallist, Sir R. Giffen ; while his successor, Sir Alfred Bateman, also a member

¹ See Appendix, Note 18.

of the present Commission, has been antagonistic to the subject, as he knows I can prove, ever since he has been one of the heads of the Board of Trade.

With regard to the present Commission, and in order to further support my views, I can specially refer to the third clause in the warrants, where it says: "And also to call for, have access to, and examine all such books, documents, registers, and records as may afford you the fullest information on this subject, and to inquire of and concerning the premises by all other lawful ways and means whatsoever."

Have they done so? No; for both Commissions have wilfully suppressed my most important evidences, letters, documents, and books in their Reports and ignored them *in toto*.

I arrive at this verdict, not from any personal grievance, as Lord Balfour insinuates, but because I am firmly convinced that these international gambling systems are eating into the very heart of the nation and draining its life-blood, and unless checked and coped with, they will presently cause the downfall of the Empire, as surely as luxury and sensuality brought about the fall of Rome and other empires.

All agree upon the extreme gravity of the situation. It is, therefore, the bounden duty of every Englishman to think out, so far as he possibly can, the problems which this country has to face in time of war, and thus avert the coming great catastrophe.

I have not resided on the Continent during the past twelve months without knowing from many

sources that this subject is well known to all continental and other nations and that it forms our weakest line of defence. The foreign Press has been full of it, and I have forwarded some extracts to the Secretary of this Commission.

For what is our position in time of peace? We are an island nation of over forty millions, living on about 120,000 square miles, and dependent for three-fourths of our bread-stuffs upon foreign countries more or less hostile and all jealous. At certain seasons of the year we have only about five to six weeks' reserve of grain. And the sole basis for importing and exporting these bread-stuffs, as well as many other of the most important raw materials, lies in the "option and future" "international" gambling systems.

The remedies proposed by this Commission to meet the same in time of war are, first, a strong fleet, which, for reasons already stated, is no remedy at all, and never can be so long as these international systems exist.

There is only a certain amount of corn in the world, and this will be at once bought up, independent of any fleet, through "option and future" contracts by the great international financiers of the world. In other words, the international "bears" will be "cornered."

The results would be that prices would be fictitiously and enormously advanced, and all available and future supplies of food would be under the control of the "bulls," and famine prices prevail. This would bring on food and other riots and

starvation, and force Great Britain to an ignominious peace.

A national system of grain storage is the other remedy proposed, which the signatories in question believe could be provided at a comparatively moderate cost to the Exchequer.

With regard to this artificial remedy, I notice the same is not favoured by the Commission as a whole, among the dissentient commissioners being the President of the Liverpool Corn Exchange; naturally so, for self-interest, and also owing to the fact that such a remedy would upset the basis of all traders under these "future" systems.

But, if we are to have such a national system of grain storages, why should we not also have national storages for cotton, wool, sugar, copper, iron, tin, as well as for all the other raw materials which can be "cornered" by means of the "option, future, and warrant" systems—in fact, a "universal national storage," by which a constant supply of all these commodities could be kept on hand at Government expense for the nation's requirements, should the "international" capitalists choose to corner any of them.

It is true these commodities do not all constitute food stuffs, but the inevitable stoppage in the supplies of these raw materials due to "corners," cause, as I have already proved, almost equally great distress and panic during such periods.¹

Such remedies are so absurd, so expensive, so economically rotten, and so artificial that they

¹ See Mr. Balfour's views, p. 297.

ought to stand condemned by all thinking men. And a Royal Commission which has sat for two years proposes such a remedy, I take it, simply for calming the agitation which has been got up in connection with this most important subject, and totally ignores and suppresses the direct causes and reasons which have brought about that agitation throughout the land.

So much for the results of such Royal Commissions, while their reports are not worth the paper they are printed on. And the same confirms my already expressed views about the nation in general, that we are gradually become insane, loving shams and hating realities.

Since these words were written, they have been proved by the National Unionist Conference, held at Newcastle on the 15th November, 1905, when a resolution was seriously proposed by this most important body, in connection with national granaries, that, "in order to insure the nation against panic and famine prices in the event of sudden stoppage of the supplies of sea-borne grain and flour, the Government should erect fifty national granaries, each capable of storing 500,000 quarters of wheat, which would guarantee every man, woman and child twelve months' food supply in advance."

It is worth while putting on record that actually twenty-eight members out of sixty-seven voted for it. It is also worthy of record to note that the Liverpool representative had the sense to point out that such a resolution, if adopted, would

bring ridicule upon them ; that it was a violation of the principle of political economy, and, if acted upon, might result in a corner in wheat.

And I am perfectly convinced, as many correspondents to the London papers have lately pointed out, in connection with this subject, and with many others equally important, that the British nation in matters concerning the safety of the Empire, has been under a complete anæsthesia for years.¹

The remedy and remedies must be thorough, sound, and lasting. It is the duty of all "Empirists" to "wake up" and put their shoulders to the wheel and never rest until they succeed in finding remedies for the great questions of the day:—"Food supplies in time of war," "Agricultural and trade depression," and "Back to the land." A sound remedy for the former, as I have stated, provides a remedy to a certain extent for the latter two.

May the views I have briefly expressed in this chapter tend in a businesslike way towards finding the required remedies for such grave social, economic and industrial evils, which have so far baffled statesmen and philanthropists.

I have written them as a humble member of the Empire, but as a true "Empirist" to the backbone. For I recognise that "England expects every man to do his duty."

The day of judgment will come, and the nation must decide, and on its decision will depend its

¹ See Appendix, Note 13.

future destinies, and whether the fall of the British Empire is to take place.

For I am quite prepared, in case of war, (if I am spared), to witness the truth of my general views corroborated as against the report of this Commission. Just as, in a similar manner, I have lived to see the truth of my views, after waiting twelve years, as given before the "Royal Commission on Agricultural Depression" in 1893, supported by the world. That report gave my views the lie direct, and the world by its actions has since given this report the lie. So it will be with the report of this present Commission, given time.

THE INTERNATIONAL AGRICULTURAL CONGRESS AT ROME.

THE above Congress, held in May, 1905, is the most important International Agricultural Congress ever held. It was solely due to His Majesty the King of Italy. Whether or not his Majesty has earned the gratitude of future generations, he at least deserves the present congratulations of the world at large for the initial success of the movement which he has so materially assisted in starting. The assembly was representative of the whole civilised world, attended as it was by one hundred and ten delegates from thirty-eight different states.¹

The outcome of the conference has been a permanent International Institute of Agriculture, with Rome as its head quarters, in which all governments will have representatives. The main objects of the institute will be to collect statistics of the world's crops, production, etc., as well as offer machinery and opportunity for international agreements and co-operations in the important field of agriculture, which may well lead to very wide-reaching changes and reforms.

It will also propose, from the international standpoint, international measures and institutions for the protection of interests common to the agriculture of all countries, taking count also

¹ See Appendix, Note 12.

of the views already expressed by international agricultural congresses. Thus, the institute may prove the foundation stone of a very vast edifice.

His Majesty the King of Italy's letter to his government contains the following :—

“ The agricultural classes, generally the most numerous, who exert everywhere a great influence on the destiny of nations, live disunited and dispersed, and are consequently unable to provide adequately for the improvement and rational distribution of the various forms of agricultural produce, and to safeguard their own interests on the markets, which, in case of agriculture, are becoming every day more international. For this reason an international institution, absolutely unpolitical in its aims, would . . . and also facilitate the attainment of a more favourable settlement of prices, which would be most highly beneficial.”

And the subject of the Italian government's despatch to the Italian representatives abroad, after setting forth the details of the scheme under four headings, has been summed up in the press as follows, with regard to the International Institute of Agriculture, viz. :—

“ That it does not imply war against the great organisations and concentrations of Capital and Labour : but it implies efficacious defence, the only efficacious defence, against any abuses of the same. It does not aim at doing away with the middle-man, but at simply controlling his actions.”

No one recognises better than I do that agriculture is the national industry of every country ;

that it is the backbone of all countries; that the land is the first and most important of all raw materials given to the world by God; that without agriculture a nation must perish. And, as the King of Italy truly points out, "it is now of an international character, and exerts everywhere a great influence on the destiny of nations."

But agriculture was also intended by Providence to be the original wealth of all nations, while the raw materials, both above and below, derived from the land, constitute the basis for the world's trade and finance. And if, by any international systems of trading, the bases of the two latter become unnatural and artificial, agriculture, its products as well as the labouring classes, suffer all over the world.

This is what has been taking place during the past thirty years, due to the artificial and unnatural "bull and bear" systems of dealing and gambling in "fictitious" products; while, with special regard to grain, the "bears," during peace times, must win in the average of years, as "international" corners are of rare exceptions, only happening once say in every ten years. The principal reasons why cereals, especially wheat (the ruling one over all others), are more difficult to corner "internationally" than any of the world's other leading commodities, are, because they are grown in almost every part of the world, and because they are gathered at different periods of the year.

Hence it is 100 to 1 on the "bears" proving victorious as a general rule, the results of which on the world's prices being, that they are forced

down to an unnatural and generally to an unremunerative level, to the loss and ruin of the world's agriculturists.

Hence the world's agriculture has become perilous. It has also brought about a state of war between all the great organisations and concentrations of Capital and Labour. Out of these "bull and bear" systems have sprung every form of swindle and abuse. And the same have become the sole controlling influences over the world's prices. Why should any systems be allowed by which capitalists can hold the world's producers in the "hollow of their hands"?

The only efficacious defence is that the agricultural classes, who live disunited and dispirited, in order to safeguard their own interests in the world's markets, should be in co-operation, and by such means insist that these international gambling systems are abolished all over the world.

No one wishes to do away with the legitimate middleman. He is an absolute necessity between the producer and consumer. All that is proposed is to control his gambling operations in "fictitious" products. It is these immoral transactions which are at the root of the evil. The international "bear" operator is the curse of all agriculturists and the cause of ruin to all *bonâ fide* traders, speculators, and manufacturers.

I have already given some figures proving the enormous loss to British agriculture since these systems were introduced into England, and became of an international character.

At a meeting of the British Royal Statistical Society, held in February, 1905, Mr. Inglis Palgrave read a paper entitled "Estimates of Agricultural Losses in the United Kingdom during the last thirty years." The figures are simply appalling.

They can be summed up as follows :—Total loss of farmers' profits, £500,000,000. Reduction in landlords' capital, £1,000,000,000. Diminution in farmers' capital, £100,000,000. Total, £1,600,000,000.

And is it any wonder, that, under such circumstances, his Majesty, King Edward VII.,¹ amongst other sovereigns, telegraphed to the King of Italy as follows :—

"Having heard of your Majesty's proposal for the meeting of an international institution of agriculture at Rome, I wish to express the deep interest I have always taken in the prosperity of that great industry, and would gladly welcome any discussion for the furtherance of any practical measures towards that end. I accordingly await with the utmost interest your Majesty's proposal, which will be carefully examined by my government."

It was the views as expressed by their Majesties, the Kings of Italy and England, as well as those of the Italian Government, combined with the almost unanimous already expressed opinions of past international agricultural congresses which support my views in connection with these international gambling systems, that determined me to write the following letters, as given hereafter.

¹ See Appendix, Note 19.

They, together with the important answers I received, will speak for themselves.

I can, however, specially refer to the extraordinary position taken up by the British Government with regard to the "gagging" instructions given to its representatives who attended the Congress, in face of the acknowledged ruinous state of British agriculture.

But, in the United Kingdom, no one appears to take any real practical interest in our national industry. It is governed by the ideas of a few, and those mostly of the "ornamental" order. I can speak with fifteen years' experience. Take, for instance, what Lord Onslow, late President of the Board of Agriculture, pointed out a few weeks ago. He said, with reference to British agriculture and the House of Commons, that "that House in 1902 had only devoted two and three-quarter hours to that industry; in 1903, ten hours; in 1904, one hour and a half, and in 1905, twelve hours and a half."

Look also at the unsound financial state of our leading agricultural societies. It speaks volumes for the utter neglect with regard to it.

It proves that Englishmen do not realise that Greater Britain's agriculture, trade and finance are one, and are all indissolubly united, and that the two latter, more or less, are largely dependent upon the prosperity of the former.

They also seem to forget, that agriculture is the foundation on which rests almost the whole economic structure of a nation. This is also

applicable to some of Britain's colonies, especially India,¹ and it also forms the basis for what used to be England's greatest trade, viz.: its Home Trade, and if its home trade languishes, the invisible result must be an increase of pauperism, a decrease of employment, and other serious economic disasters.

They also forget that God intended His land for His people. It is estimated that during the past thirty years, the number of persons employed on British agricultural soil, directly and indirectly, have decreased by some three millions. The bulk have been forced to migrate to the towns and compete with town labour. The direct result is over-population, lack of employment, misery, starvation, and other economic troubles. And to cure the same, emigration, colonisation, appeals to the Government and to the public for money grants and for subscriptions, as well as other palliative remedies, have been put forward.

I maintain that if British finance and trade were placed on a sound economic and honest basis, by the "international" gambling swindles being eliminated from both, the direct result would be that British agriculture would once more flourish; and that, if the Alien Question was fairly and squarely tackled in the sole interests of British labour (including a tax on each employer of foreign labour); and if municipal "jobbery" was suppressed and government expenditure curtailed, the economic position of the nation at large would, by degrees,

¹ Indian wheat, tea, and indigo have all come under the "Bull and Bear" ruinous systems in London.

right itself. In consequence, the problems of honest labour, and of the unemployed, as well as "back to the land," would, in course of years, be practically solved, as the root causes, which have been the origin of the same, during the last thirty years, would be removed.

There are tens of millions of acres of uncultivated land to-day in the United Kingdom, which could be utilised in some practicable manner, and which would be able to give permanent employment to many thousands of honest working men, as well as to their families.

Haphazard, careless emigration is productive of more harm than good, while free emigration is only natural, and is all very well under certain circumstances. But compulsory colonisation is economically wrong, and for obvious state reasons.

Why should not British land be colonised afresh, in preference to forcibly sending out our sturdy peasantry (the backbone of the nation) to cultivate the land of foreign countries, whether it be the United States of America, or our colonies? It might just as well be proposed to go back to the old system of penal colonies as a remedy.

For, all such men ultimately become competitors both to British farmers and to British labour. Besides, the unemployed question in most foreign countries, stands out in all its ugliness as it does in Great Britain; while it is well known that no foreign country is the place for men who are moneyless like the unemployed, and that in many countries, by the laws of the land, they are

not even allowed to land, if penniless or physically incapable of honest work.

As to government grants and public subscriptions, to meet the present grave aspects of the unemployed, I maintain that the same are economically rotten, are false doctrines, and are most dangerous experiments.

They can only tend to pauperise the working classes, especially those thousands, who, under the abuse and power of Trades' Unions,¹ refuse to do a fair day's work for a fair day's pay, or who have lost their employment through the vices of the day, viz.—holidays, idleness, drinking and gambling.

To the honest and hard working man, the mere idea of being supported by charity must be revolting, for all such men want work—not charity, and consequently all such subscriptions take the form of mistaken charity.

Besides, looking at these questions from a state point of view, such remedies are sure to react in the most serious manner on the nation at large in future years. They are certain to leave a permanent trace behind them of demoralisation. They are a disgrace to the country, and a reproach to the legislature and Parliament. They are virtually proving that the country is on the verge of civilised bankruptcy, by acknowledging that the country cannot give work to its people. Besides, such remedies can only be of a temporary and very

¹ Example: The Lancashire and Leicester cotton and wool operatives close at twelve o'clock on Saturdays in order to attend football matches!

partial character, and are the outcome of a hasty panic and the fear of a more serious repetition of the affairs of 1886.

It seems to me it is one more example to prove that the nation has gone mad, loving shams and hating realities, as I have already expressed myself, on such economic questions.

To cure all, expenditure—expenditure—expenditure, in some way or another, seems to be the only remedy that can be put forth.

Government subsidies, government grants, public subscriptions, etc., are the order of the day. It is apparent on every side. One cannot take up a London newspaper without seeing it proved. Where is it all to stop?¹

Directly or indirectly, one and all fall upon the already overburdened tax-payers, a large majority of whom, owing to reduced incomes and higher taxes, are, in my opinion, almost worse sufferers than the ordinary class of town work-people, whose wages have risen during the past few years.

With regard to the question of the overburdened tax-payer, and government workshops as a remedy, we have only to go back to 1848, and see the result of same in France, where industry was dislocated, finance reduced to chaos, the individual character deteriorated, and in consequence, the end was open rebellion and massacres.

No one doubts the deplorable position of the

¹ Government object-lessons in 1906: Feeding School Children; Payment of Members of Parliament; The repatriation of Chinese in South Africa.

unemployed, and all men must feel charitably disposed towards them. This is only natural.

But it is not as if this problem had only arisen to-day. It has been patent to all thinking men for years that a climax would be reached. That day has at last arrived. And the reason for it is, that the Government has, year after year, refused to acknowledge it and take any real steps to combat the original causes.¹

For powerful examples ; we had it especially prominent in the years 1867, 1879, 1885—1888, 1892—5, and in all these years, there was a direct cause for it. With regard to 1867, the unemployed question followed the "Overend Gurney" financial panic of 1866. In 1879, it followed the "City of Glasgow Bank failure" in 1878. In 1885—88, it followed the various "Lancashire Cotton Crises." In 1892—5, it followed the "Baring Collapse"; and various financial swindles from 1890—92. And in 1905—06, it follows as the result of the various commercial and financial depressions and panics of the past few years.

And the original causes for one and all of these panics, commercial and financial depressions, can be traced, directly or indirectly, to the gambling operations in finance and trade, under the "option and future" systems.

In plain language, the country has been sacrificed for party politics and votes, while its agriculture, trade, and finance have been let to go "to the dogs" for the past twenty years. The result at

¹ See Appendix, Note 2.

last, in 1905, is pauperism, no work, starvation, and unemployment.

For example, when it was patent to all men, that British agriculture was practically doomed, and that British trade and finance had been in a critical state for a number of years, the members of the Government, including Mr. Chamberlain, stated early in 1902, in various public speeches, that "during the last five years the nation had enjoyed an absolutely unparalleled condition of trade," while during the past two years, the same men have, one and all, cried "stinking fish" with regard to the country's trade and agriculture, and have actually proposed, in order to remedy the same, to change our wise fiscal policy.

Can there be any clearer proof of the acknowledgment of the truths I have been preaching for thirty years, that the economic position of this country was rotten?

And yet in face of this acknowledged poverty, hunger, helpless, and homeless, Mr. Chamberlain and the Government calmly propose to tax the people's bread, which must increase pauperism and add to the already acute miseries of the unemployed.

The only true remedy for unemployment, or for any other social or economic national evil, is to remove the conditions which have given rise to it.

For the Government, Parliament, and the country in general have forgotten, that, as *per* the words used in the dedication of this book, and the same are applicable to the world, "If the bases of the financial and commercial policies of a nation are dishonest—honest capital as well as honest labour

(God's most sacred capital)—must inevitably suffer."

The result on Great Britain, after thirty years, is that honest capital has been called upon to support honest labour, as well as many private and public institutions, the latter of which have been financially crippled by the enormous fall in the value of agricultural land, or by the depreciation in other investments; or, in other words, by dishonest capital in the shape of international conspiracies in trade and in finance, through the power of the gambling "option," "future," and "warrant" systems.

The following are the copies of the letters, already referred to:—

Copy.

"TO HIS MAJESTY KING VICTOR EMMANUEL OF
ITALY, ROME,

"8th March, 1905.

"SIRE,—As your Majesty has on a former occasion conferred upon me the great honour of accepting one of my previous books on the present economic position of the 'world's' agriculture and trade, I again take the liberty, and with all due deference and respect, of asking your Majesty to accept my last book dealing with the same subject, which I now have the honour of forwarding in connection therewith.

"Your Majesty will graciously observe it is on a special international question I have made, as it were, my own, for many years past, and it is one with which your Majesty's Government will be familiar. It deals with *Prices*, and I venture to assert the

subject forms one of the most important parts of the international octopus which has, since 1874, and is still, strangling the prosperity of the world's agriculture in the twentieth century.

"Your Majesty will also graciously observe that the questions at issue have been made the basis, either of actual or proposed legislative measures, by all leading governments or parliaments.

"As a British subject may I take this opportunity of offering to your Majesty, my most humble congratulations on the important international step your Majesty has initiated in order to benefit the world's agriculture—the greatest of all blessings Providence intended for Humanity,—but which man, by the introduction of railway and other trusts, as well as by the artificial system of dealing in 'fictitious' crops has annulled. May it meet with all success is my most earnest prayer. With humble apologies,

(Signed) "CHARLES W. SMITH."

Translated copy.

"MINISTRY OF THE ROYAL HOUSE,

"TO MR. CHARLES W. SMITH.

"Rome, 18th March, 1905.

"THE KING, my Gracious Sovereign, has received the copy of your Book on Agriculture and International Commerce which you were good enough to send him. His Majesty, who gratefully remembered the offer you were kind enough to make him in the year 1902 of another publication on the same subject, deigns to accept with equal goodwill this new

homage ; and at the same time charges me to thank you, in his royal name, as well for the courteous gift as for your spontaneous adhesion to his august initiative with which you accompanied it. I am pleased to give you this gracious message, and by the same occasion I beg you to receive the expression of my perfect consideration.

(Signed) "IL MINISTRO.

Copy.

"TO HIS EXCELLENCY THE MINISTER OF AGRICULTURE, INDUSTRY AND COMMERCE, ROME.

"8th March, 1905.

"SIR,—Noticing with the greatest interest your Government's proposition with the object of benefiting the world's agriculture, I trust your Excellency will permit me, as one who personally has spent the best part of his life in that cause, and who has had for many years past the honour of having his various books accepted by all governments (your own included), on a special "international" subject which I venture to say is the principal controlling influence over the world's *Prices* of all leading commodities, and which is now acknowledged by many governments to be so, to send you a personal copy of my last book.

"I hope your Excellency will do me the honour of studying its contents, and that the question at issue may form part of your government's programme for deliberation at the proposed conference in Rome.

"The crux of the whole subject lies in the international 'bear' operator and his power, directly or indirectly, over the world's prices ; that is—the

‘operator who sells what he has not got and has no intention of delivering.’

“Prohibit his operations by ‘international legislation’ and you minimise ‘price-famines’ in the shape of ‘corners’ (due to the ‘bears’ being cornered) as well as unnatural ‘price depressions’ (caused by ‘bear’ sales).

“For ninety per cent. of all such operations under the ‘option and future’ systems (or *marchés à terme*, or time-bargains) are simply gambling contracts, representing ‘fictitious’ commodities, and it is the value of these contracts which practically regulates the prices of the world’s commodities.

“Hence, if this was carried out, the natural laws of the world’s supply and demand over prices would again become operative, and both the unnaturally high as well as the unnaturally low prices, would be prevented—both being artificial and ruinous—the former to the masses, users, and manufacturers, the latter to the producers and farmers; while, *bonâ fide* speculation in the actual commodity, whether represented in ‘options and futures’ or otherwise, could be carried on *ad lib.*, such as was the case prior to the introduction of these so-called international trading systems in 1862.

“In this manner, the legitimate middleman would not be interfered with. His action in the world’s ‘international’ bourses would only be controlled, and, I may point out, *pro bono publico*. The illegitimate gambling operations in ‘fictitious’ commodities would solely be prohibited. But, as the world’s agriculture, like its trade and finance,

is now 'international,' so must also, in my opinion, be the remedy of a similar nature, that is, either by 'international' agreement or by 'international' legislation.

"I have in past years brought this subject forward at various international agricultural congresses, both on the Continent and elsewhere, and if my health permits, I should like to have the honour of attending your proposed one, that is, if the subject at issue forms part of your Government's official programme. Perhaps, on this point your Excellency might kindly inform me ?

"I have the whole question very much at heart, while your Government's proposal for an international Chamber of Agriculture has my warmest sympathy, as it ought to have that of every right-thinking man who realises what a prosperous agriculture means to every nation and to the world at large.

"With every good wish for the success of your Government's noble undertaking,

(Signed) "CHARLES W. SMITH."

Translated copy. "Rome, 10th April, 1905.

"MR. CHARLES W. SMITH.

"Thanking you for your courteous letter and gift of book, I am glad to let you know that I have submitted it for competent examination to the 'International Office of Agriculture' which is established by the Minister of Foreign Affairs.

(Signed) "IL MINISTRO OF AGRICULTURE,
INDUSTRY AND COMMERCE."

Translated copy.

“Rome, 13th April, 1905.

“MR. CHARLES W. SMITH.

“His Excellency, the Minister of Agriculture, Industry, and Commerce has communicated to me for reasons of competence, the letter directed to him by you, and dated March 8th, and which treated of the next Conference for the “International Institute of Agriculture.

“At the same time, I consider it my duty to thank you for this letter as well as for the praiseworthy publication which you sent.

“As to your eventual participation to the Conference, I have to inform you that as the invitations are being made officially by the Italian Government to the other governments, no one can assist at the Conference itself who is not a delegate nominated by the different states. Pray receive, sir, the expression of my distinguished consideration.

“For the Minister,

(Signed) “MALVAI.”

Copy.

“To the Rt. Hon. A. J. BALFOUR, M.P.,

“Prime Minister, London.

“27th April, 1905.

“SIR,—It was on the 13th February, 1904, *re* the World's Cotton Crisis, that I last had the honour of addressing you on a special subject, which, you will know, I have been engaged upon for many years, relative to the direct cause for depression in the world's agriculture and trade. I allude to the question of international gambling in ‘fictitious’

products through 'option and future' contracts. At the above date, I also had the honour of sending you my last book published on this question.

"I now beg to enclose for your perusal, in connection with the coming International Congress at Rome, three original letters I have received, together with copies of my own to His Majesty, the King of Italy and to his Ministers.

"By the latter letter, you will observe the Minister of Foreign Affairs says that it is not possible for the Italian Government, as per the rules of the Congress, to issue a direct invitation to myself to attend the Congress, as the various Governments alone have the power of nominating their own delegates.

"As this is the first International Agricultural Congress that I have thus been prevented from attending, as has been my custom when my health permitted it, I venture to appeal to you and to the Government, that I may have the honour of being nominated as a delegate or as a supernumerary to attend, especially as I notice that the subject which I have so much at heart will probably form one of the most important parts of the deliberation of the Congress, and is specially indirectly referred to in the King's Proclamation.

"I ask this from you, sir, not in any way for personal gratification, but simply because I venture to say that no man in England, and I believe it will be allowed no man in the world, has given this 'international' subject such deep consideration and thought as I have done during the best years of my life, from the pure duty of doing good to the

world's agriculture and trade, as well as attempting to solve the problems why, at certain periods, both these world's industries are so depressed, especially the former, year after year.

“That the campaign, as carried on by myself and by others, has been successful and our views corroborated in every part of the civilised world, has been proved by the actual and proposed legislative measures in all countries, as per the particulars as given in my book.

“Our views have also been confirmed by the various International Agricultural Congresses, held respectively at Budapest in 1896, at Lausanne in 1898, at Paris and at Versailles in 1900. While with regard to Great Britain, I have been the means of passing some sixty resolutions by all the leading agricultural and other associations, who also support my views.

“I may add, my name in connection with this subject is well known to all foreign governments and to their agricultural associations, and I have been one of the leading pivots for information for their benefit, by my numerous books, as well as by my personal visits to many of the leading European capitals, in order to push my views, which have largely led in many instances to the said actual or proposed legislative measures in foreign countries.

“With regard to 1905, in addition to the judicial International Congress, which has been sitting the past twelve months in Egypt on this question, and to which Lord Cromer specially refers to in his just issued Annual Official Report

for 1904, I have the subject coming forward next September at the international Chambers of Commerce meeting at Liège, as per the enclosed important resolution.

“I may add, in connection with Egypt, I have lately forwarded to Lord Balfour of Burleigh, Chairman of ‘The Royal Commission on Food Supplies in Time of War,’ a copy of the proposed new bourse laws for that country, upon which the sub-committee is now sitting.

“Thus, you will see, sir, whether it be the United States, Canada, Egypt, South Australia, or any country in Europe, my name is officially known and recognised as one of the leading experts on this most important ‘international’ subject.

“It has been the one aim of my life to raise this question into the region of international practical politics. My argument has been that in order to do any real good to the world’s agriculture and trade, the subject must become an ‘international’ one.¹ Both industries are now of an international character. Hence the remedy must be also. And I have lived to see my wishes gratified, by witnessing this question proposed as one at international, judicial, commercial, and agricultural congresses in 1905.

“It is for this reason that I am most wishful to attend the latter most important Congress at Rome, as a delegate of my own country. As I said before, it is not to gratify my own personal vanity, but I firmly believe that if I attended the Congress as an official representative I could do good to the world’s

¹ See Appendix, Note 12.

agriculture, and especially that of Great Britain and of its colonies.

“To do the latter has been the main object of my work and of my long, tedious, and most expensive crusade—carried on quietly by myself and without any personal advertisement—but, year after year, nearing that goal which I have waited now for so many years to gain. These are my honest and innermost thoughts in writing you this letter, with the request I now make, *pro bono publico*.

“I am fully aware that the members of the British Government, for some reasons best known to themselves, have always been against my views. They have, over and over again, during the past thirteen years, refused to ‘officially’ recognise this subject, much less to legislate upon it.¹

“But I believe the main reason has been, and still is, ignorance on this great question by members of the Government or by the permanent officials of H.M. various departments, who are their advisers, whether it be in questions asked in the House or otherwise.

“If the true reason be ignorance, it is not my fault, for during the whole of my crusade I have kept the members of the Government fully informed on all important matters in connection with this world’s subject.

“And, I venture to assert, that unless some ‘international’ action or legislation does take place, somewhat on the lines I advocate, agriculture all over the world must go from bad to worse, and no country has felt, and will yet feel it more acutely, than

See Mr. Balfour’s reasons for non-legislation, pp. 297-98.

Great Britain, with its present unnatural system of free imports, based on the artificial and rotten systems of importing and exporting its leading raw materials, through the gambling international 'option and future' contracts in 'fictitious' products.

"In connection with this subject, I beg to enclose you a few press paragraphs showing the latest object-lessons in America, England, Canada, and France, etc., *re* wheat, cotton, sugar, and their results in the world.

"All these panics, price-depressions, and 'corners,' as you will observe, are solely due to these international gambling systems.

"And yet no man, but myself, apparently grasps the situation in England. Every other reason is put forth in the House, by the Press, and outside, except the true one for the causes of all such.¹ It is only when panics take place that the British Press notifies the truth.

"I may finally state that, should your Government wish it, I am prepared, under certain conditions, to produce my 'Anti-Future' Bill, which I prepared years ago at the express wish of the Government. It meets all objections that have been raised, especially with regard to causing a hindrance to legitimate speculation and to *bonâ fide* trade; the basis of the Bill being only aimed against the international 'bear' operator and the gambling operations in 'fictitious' products.

"It is somewhat on the lines of Leeman's Joint Stock Bank Act of 1867, and of the French

¹ See Appendix, Note 19.

Government's Bill of February, 1904, *re* Russian Bonds. I may add that the clauses of the Bill could also form the basis for 'international' legislation.

"I apologise for troubling you during your Easter holidays with this long letter, but I have made the important facts, as brought forward, as brief as possible.

"No doubt you were ignorant as to my exact position in the world on this subject. Hence my reasons for stating them. I believe my individual position in such a huge world's-subject stands unique. My sole desire is to do the best I can, in the interests of the world's agriculture and trade, and especially in that of Great Britain, when I have the health and strength to do it.

"I therefore wish to attend this important Congress at Rome when I am able, and I can only trust that in the interests of my country and its colonies, my request may receive favourable consideration at your hands as well as the members of the Government, who have the nominating of the British delegates.

(Signed) "CHARLES W. SMITH."

Copy.

"TO THE PRESIDENT OF THE BOARD OF AGRICULTURE, LONDON.

"13th May, 1905.

"SIR,—Mr. Balfour has privately intimated me by letter that he has been in communication with your Board with reference to my application to him of April 27th, to be nominated as an official

delegate at the coming International Agricultural Congress at Rome.

“He further acquaints me that ‘he understands that the composition of the British delegation has been already arranged, and that it is not now practicable to add to the number of delegates.’ Further, he says, ‘in any case, the function of the British representatives will not be to put forward any particular policy, but to watch and report the proceedings of the Conference for the information of the Government.’

“As no doubt you have seen my letter to Mr. Balfour and the views I therein expressed, I will not here again reiterate the arguments put forth and the reasons given, why I asked to be appointed. I presume I have to take Mr. Balfour’s answer as a definite refusal to my request, although he says (you will observe), ‘he understands that the composition of the British delegates has been arranged.’ I presume, therefore, that I cannot even be appointed as a supernumerary delegate?

“But I wish to add, that if the British representatives, whether supernumerary or otherwise, are not to be allowed to put forward any particular policy at the Congress, I have no wish to attend under these circumstances. It would be only waste of time, health, and money.

“Experience has already shown me in past International Agricultural Congresses, that British ‘official’ delegates have been useless. I can now understand the reasons why.

“ But in this forthcoming important Congress, when the world’s agriculture will be officially represented, and the principal objects will be to attempt to unravel the cause or causes for the depression in the world’s agriculture, as well as to find some practical remedy or remedies to cure the same, it seems to me that in the interests of Great Britain and of its Colonies, a man like myself, who has spent the best years of his life in these very economic problems, and who has propounded a particular policy all over the world of an international character, and which is now ‘officially’ recognised by the various foreign Governments, should be appointed, and thus be allowed the further opportunity to ventilate his subject *pro bono publico*.

“ This is my sole object in wishing to attend the Conference. For it is the only international and practical policy before the world in 1905 which reaches the root cause of the evil for the depreciation of prices, the original cause of agricultural ruin, whether in Free Trade or in Protectionist countries.

“ In connection with the latest phase of this subject, I can draw your attention to an important statement lately published by an American, Mr. Dwist, *re* the cause of the depression in prices in the hop industry of the world. His report is briefly summarised in the *Mark Lane Express* of April 17th.

(Signed)

“ CHARLES W. SMITH.”

Copy.

“TO HIS EXCELLENCY THE MINISTER OF FOREIGN
AFFAIRS, ROME.

“25th May, 1905.

“SIR,—In continuation of former correspondence on the subject of ‘international gambling in fictitious products,’ I now have the honour of enclosing copy of a letter I have addressed to the President of the British Board of Agriculture.

“The letter will explain, I regret to say, the reasons for my non-attendance at the forthcoming International Congress at Rome.

“I shall trust, however, that this most important world’s question will receive due consideration at the hands of the various other foreign delegates, and I beg to express a hope that, if it is possible, I may be elected a member of the proposed International Institute of Agriculture, so that I can continue, by that means, my ‘international’ crusade for the protection of interests common to the agriculturists of all countries, in which I have been supported by all the previous International Agricultural Congresses.

(Signed) “CHARLES W. SMITH.”

THE INTERNATIONAL COTTON CONGRESSES: THE WORLD'S COTTON CRISIS IN 1905.

THE only real famine in cotton that the world has had to face took place during the American Civil War in 1860–1863. That provided natural scarcity of the raw material. I well remember those times. The price of American cotton advanced to nearly 30*d.* per lb. No country suffered more than England, as Lancashire virtually, at that time, had almost a monopoly of the cotton industry of the world. It reduced Lancashire to absolute starvation.

Prior to that period, the only instance that I can find in history of “artificial” scarcity, created by man, was in 1842, when Pasha Mehemit Ali formed a monopoly and locked up in his own stores all the Egyptian cotton crop, and from these stores alone was the demand of foreign countries supplied. This action ruined his country and reduced his people also to poverty.

In 1875, the “option and future systems” of gambling in cotton were introduced into Liverpool, England. They had been introduced into the United States of America a few years previously. The result was that, from 1876 to 1890, we witnessed no less than eleven “corner” years in the Liverpool market, accompanied with panics,

price-depressions and price-famines, and practically ruin and losses to all engaged in the Lancashire cotton industry. There was never any natural scarcity. It was solely artificial and due to these "bull and bear" systems.

From 1890 to 1900, there were no "corners," either in England, the United States, or in Egypt. The "bears" proved victorious. American cotton fell artificially in consequence to 3*d.* per lb. The American and other planters were ruined and advocated legislation against the "bears." There was no scarcity, either real or artificial, simply because there were no "corners." Lancashire prospered, together with the rest of the cotton world.

From 1900 to 1905, we have again witnessed every year, with one exception, "international cotton corners" of the greatest magnitude, not only to American, but also to Egyptian cotton. The prices of both have been unnaturally enhanced, even when there was abundance, and Lancashire, like the rest of the cotton world, has suffered in consequence. Price-famines have been the result, accompanied by short-time all over the world.

So ruinous has this state of affairs been to the cotton world, that, at the instigation of Lancashire, International Congresses have been held, at which all countries (interested in cotton) have been represented, the sole object being to combat the ruin brought about by these "international" cotton-gamblers.

The climax was reached in 1903 and especially in 1905. During the latter year, every form of swindle

and corruption has been perpetrated upon the cotton world, as the following letter will prove, combined with the facts already stated in a previous chapter.

And when it is remarked, that the whole world is interested in this great industry, and that it stands next in importance to the agricultural industry, is it any wonder that the general trade of the world is demoralised, and that various international congresses, conventions, meetings, &c., are being held all over the world, with the object of defending their individual interests, whether they be producers, users, or consumers? One and all recognise, that there is something economically rotten, alike applicable both to Free Trade and to Protectionist countries, and they are by degrees becoming alive to the fact that it is these "international" gambling systems in trade and finance which are "stabbing one and all behind their backs."

The following letter also dwells upon the proposed world's cotton remedies. Some of these are somewhat similar to those proposed by the International Institute of Agriculture at Rome, *re* the World's Agriculture. My remarks on the former will be equally applicable to the latter.

It is worth while pointing out, that while "The Royal Commission on Food Supplies" proposed, as a remedy, the establishment of national granaries to cope with "corners" and the unnatural high prices caused thereby; the Cotton Congresses propose, with similar objects, the boycotting of American cotton!¹

¹ See Appendix, Note 4.

If the latter remedy was applied to the world's foodstuffs and to all other raw materials, the result on Great Britain would be starvation, whether in time of peace or in time of war.

Copy.

"The World's Cotton Crisis in 1905.

"5th August, 1905.

"To C. W. MACARA, Esq., President, Federation
"of Master Cotton Spinners and Manufacturers'
"Association, Manchester.

"DEAR SIR,

"Allow me, as one who has had forty-three years' experience in the Lancashire cotton industry (that is from the times of the Civil War in the United States), to pen you a few remarks in an open letter, about the direct causes of and the various remedies that have been acted on and proposed—both by your Association, and also at the various International Congresses which have taken place since 1900 up to the present year, and which by the official circular you kindly sent me last week and by the manifesto as issued by the International Congress in London on the 31st ult., as well as at your late important meeting in Manchester, have been adopted—in order 'to checkmate and defeat the Exchange gamblers and to tide over the crises these men have brought about, and which were also acknowledged to be solely due to the 'international' systems of gambling on behalf of 'bulls and bears' on both sides of the Atlantic, through 'option and future'

contracts, 90 per cent. of which, as you know, merely represent 'fictitious' cotton.

"Now, in my last book published (copy of which you had), as well at my personal interview in Manchester in 1903 with the leaders in Lancashire, I entered most fully and deliberately into the whole position of the world's cotton trade in general, in connection with the crises from 1900 to 1903. There is, therefore, no necessity for me to dwell further upon them here or the causes which led up to them, nor upon the disastrous panics that occurred in the United States, Liverpool, and other Continental cotton centres, solely due to Sully and others' 'bull' and 'cornering' campaigns, and also to his downfall—the result of a powerful 'bear' clique. Suffice it here to say, one and all were, solely due to international gambling operations.

"And the remedy that Lancashire was forced to adopt then, as in previous 'Liverpool' corner years, say from 1876 to 1890, was short-time and the closing of the mills: suicidal remedies, as I expressed myself at the time. Further, I said that both could only be of a temporary character, entailing, as they did, gigantic losses on mill-owners and others, besides misery, starvation, and privation to the workpeople and to their families.

"With regard to the present and late crises, I shall refer later on to the many public scandals in America in connection with the government and other departments, although the same has become public property throughout the Press of all countries and are well known to all men.

“ I sum up these scandals as one of the biggest proved commercial swindles that have ever been perpetrated upon the business world, and, heaven knows, there are many as bad in connection with the ‘ option and future ’ systems.

“ If there had been no such ‘ international ’ systems, there could have been no occasion for such scandals. I may, however, here point out that it is only one of many, for the world has had no end of previous object-lessons, while there are many proved ones at the present moment; say, with regard to the American and Canadian wheat and European sugar ‘ corners,’ all on a parallel, more or less, with the cotton crises, and directly due to the same ‘ international ’ gambling operations. All such have affected the whole world, and no country has suffered more under them than Great Britain and its colonies.

“ Now with regard to your present proposed remedies, I will first briefly take the growing of cotton in our colonies.

“ Let our colonies grow all the cotton they can by all means, but this can never be a remedy. It is merely a ‘ sham.’ It is what I call the ‘ capitalistic ’ red-herring remedy,¹ backed up by the Government and especially by the Colonial Department, as well as by private and public monies; just as in a somewhat similar manner, years ago, the remedy for the sugar crisis in the West Indies was treated by the Colonial Office; besides, as a practical man, you know, that no long, or short, or

¹ Headed by Sir Alfred Jones, of Liverpool.

rough stapled cotton, can ever take the place of American cotton in Lancashire.

“ Further, that it will take ten to twenty years to grow such a large quantity (taking into consideration the increased world’s consumption during same period), which could even possibly affect the prices of American cotton—even if such quantities could ever be grown, which I doubt—so long as these international systems in American and Egyptian cotton are in existence.

“ Besides, the prices of all such cottons will be under their gambling influence. It is only a matter of time when they also will be turned into a medium for gambling operations.

“ What, therefore, is Lancashire to do between now and then? Starve, I presume, through short-time, should the ‘ bulls ’ prove victorious.

“ Besides, as you admit, and as has been proved, prices are not regulated by the size of the actual crops, but solely by the prices of the fictitious paper crops.

“ Your second remedy is honest and true statistics of the world’s production and consumption. But, even supposing you could obtain reliable statistics of the former (which is utterly impossible, as you must know) during the planting, growing, and picking of the crops, what use would they be to the spinners and manufacturers of the world? Absolutely no use under the present system of dealing in ‘ futures ’ from six to twelve months ahead and before the seed is in the ground. And, as a sensible man, I ask you, how can reliable

statistics of any sort be obtained, when the crops are not even sown ?

“ For, again you must know—indeed you acknowledge it in your official circulars, manifestos, and speeches—that this year, the world has ample cotton for its requirements, including the surplus of two millions left over from last season. Yet prices have been ‘artificially’ forced up nearly 2*d.* per lb., solely by the gambling ‘future’ systems.

“ Thus, my general arguments (applicable to all agricultural crops) are fully borne out, viz., that prices are not regulated by the world’s actual crops or stocks, whether they be cotton, grain, foodstuffs, coffee, wool, metals, etc., but by the ‘fictitious’ values on the world’s ‘international’ exchanges, through ‘option and future’ contracts.

“ And I maintain, that so long as such pernicious operations are in existence and allowed to be legal transactions, all statistics, even if honest and reliable, are futile, and can never be a remedy. Indeed, such would be a help to the ‘bulls’ and ‘bears,’ and either the producers or the users would stand to be ruined every year by their gambling actions. You have witnessed powerful examples of both during the last two cotton seasons.

“ With regard to statistics of the world’s consumption, spinners’ stocks, invisible supplies, etc., you must be aware, that for numerous secret trade reasons, and owing to international trade jealousies, such are impossible to arrive at, and would not be worth the paper they are printed upon, even if possible. Besides, as you will acknowledge, statistics

are always unreliable and can be made to prove anything, especially under the influence of the 'future' systems.

"I now come to the third and last gigantic remedy—the calm proposal to the world's cotton spinners to boycott American cotton for the next three months!

"This perhaps is the most remarkable, not to say, ambitious, remedy ever put forth by a sane body of men, that I ever heard of.

"It can never be carried out, as the delegates of the nine countries, say—from Austria, Belgium, England, France, Italy, Germany, Switzerland, Spain, and Portugal—who unanimously carried this proposal, must have known at the time.

"What does such a boycott mean?¹ Why an upheaval in the international trade of the world. It is an economic fallacy and interferes with the liberty of the people. It would be the upsetting of all traders' individual interests and the right of trading to the best advantage. It would tend to overthrow the peace and goodwill of such nations boycotted, as well as of those who propose such an unnatural scheme. Where would it all stop, if once such a state of things were countenanced by the governments of the world?

"For these, as well as for many other reasons, patent to anyone, who like yourself, is aware of the intricate working and different bases of the world's cotton business, as carried on by the various spinners and manufacturers in the United States, Canada, the East, the Continent, and especially in

¹ See Appendix, Note 4.

Lancashire, the result of such a remedy must be obvious.

“ But Lancashire’s sole basis for its entire cotton industry, whether it be in importing the raw material, in the manufacture of yarns and goods, or in exporting the same to foreign countries, as admitted by yourself in your speech at the late international Congress at Manchester, lies on the gambling prices of ‘options and futures,’ as quoted in the Liverpool market.

“ Under these circumstances, how, may I ask you, can the industry of any country be sound, when its sole basis is a gamble, pure and simple? It must be rotten, for any business without the exchange of things cannot be honest, and any business transactions which are based on artificial methods, must be equally so.

“ Again, with regard to the ‘boycotting’ remedy, is Lancashire to sit still during the next three months by boycotting American cotton, and when that period has passed, allow its foreign competitors, whose business is not based on the ‘artificial’ gambling systems as applicable to Lancashire, and who have not boycotted (*i.e.* who have bought American cotton) to be in a position to carry on the trade of the world? And must Lancashire—say, because in three months time the ‘world’s gamblers’ have raised the price still higher than to-day’s value 6*d.* per lb.—again be forced to ‘chuck up the sponge’ and resort to ‘short-time’ as its remedy, such as Lancashire was forced to do in 1903-04, to the ruin of its own industry, as well as to those

thirteen millions of workpeople and their families, directly and indirectly interested, besides the numerous other allied trades, dependent upon the prosperity of Britain's second greatest industry?

"Also, is this industry to be solely dependent upon the gambling prices speculators may, in the next three months, determine? Is it also honest, that the masters, who are fully aware of the causes of this crisis, should, in order to benefit their own trade, try to ruin the workpeople by forcing on a strike, by the proposition of reducing the output in order to benefit their working margin between cotton, yarns and cloth?¹

"I say it is all dishonest, and wrong in principle, and therefore that your latest remedy is as preposterous and utopian as your others.

"And what are these various remedies proposed for, and what are their aims? Simply, as has been admitted in the official circulars by your Federation of July 19th and of August 5th, as well as in the manifesto as issued by the special International Cotton Congress held in London on the 31st ult., 'to checkmate and defeat the world's exchange-gamblers and the various speculative rings on the American, English, and other cotton exchanges.'

"Such proposed remedies are therefore to my mind a public scandal, considering the gravity of the present and late crises, and the sole causes which have led up to them, as well as the fact, that such crises are becoming chronic and are threatening the destruction of our second most important national

¹ See Appendix, Note 4.

industry ; and also considering, that, owing to these gambling systems, both capital and labour, whose interests ought to be identical, are at present engaged in a deadly combat throughout Lancashire.

“ I again say there is only one honest and true remedy. You must go to the root-cause of the evil if you want to cure this malignant and international disease, and in 1905 the root is acknowledged by all countries.

“ It lies in the unscrupulous gamblers on both sides of the Atlantic, for, as you are aware, all the American and other foreign gamblers, are either members of these exchanges, or have direct agents to represent them.

“ They dominate the Liverpool exchange, as they dominate the American and Egyptian cotton exchanges, one and all being of an international character. It is their international gambling operations on behalf of the world's gamblers, which are ruining, not only the Lancashire cotton industry, but also that of the world.

“ The disease is deeply rooted I admit. It is for the British Government to find the remedy. What is a government elected for, except for such purposes ? Every other government or parliament has done or attempted to do so. The sole exception is the British Government. The question is an international one. The remedy ought to be of the same character. All countries are affected. The gamblers in one country can, at any time, ruin another country's industries, as you admit, and as they have done.

“This being so, the only practical and sound remedy is either by international co-operative measures or by independent government legislation.

“For instance, if all ‘bear’ operations were treated as illegal on British exchanges, and brought under the present Gaming Act, and the gambling ‘differences’ in consequence be non-recoverable in our Law Courts, with the penal clauses, say five years’ imprisonment and heavy fines, we should soon witness the end of all ‘bull and bear’ transactions, so far as England is concerned.

“And such a law, applicable to all other countries, if passed, would not interfere with any of their respective fiscal policies. All ‘paper’ transactions, whether in ‘options and futures’ or otherwise, would represent ‘actual’ commodities and be legitimate operations. This is the great difference between legitimate speculation and illegitimate gambling. One deals in the exchange of, and represents, actual things—the other does the reverse.

“Under the fact that there would be no longer any ‘bulls’ or ‘bears’ of ‘fictitious’ products, both legitimate trade and *bonâ fide* speculation would be protected. Neither would be hampered in the slightest—for you fully agree with me, that these gambling systems are the ruin of both. Further, under such a law, there would be no reason to propose any of your suicidal remedies, as the sole cause for them would be removed by one stroke of legislation.

“While statistics, whether true or false, could not be utilised by the ‘bulls or bears’ for purely

gambling operations, such as has been the case, since these systems were introduced into the Liverpool cotton industry in 1875. The so-called crop 'prophets' and the gambler, in whose interest the former solely prophecies, would become a dead letter, and one of the biggest curses to all legitimate trade in connection with these systems, would be removed.

"There would also be no more temptation, either for government officials in the United States or for any of the crowd of so-called 'crop-tipsters,' in this or in other countries, to issue false estimates of the growing crops, and bogus reports of acreage, good weather or damage done by bad weather, as well as perpetrate other lies and swindles upon the public, for their own financial gain.

"There also would be no temptation for the heads of either the American or other government departments, to be in league and in the secret pay of the exchange blood-suckers, such as has been proved to have been the case for many years, in order to rob the public and benefit themselves by joint illicit gains in speculation, by issuing false information of the growing crops.

"And lastly, it would be impossible, as has also been the case, for the trusted official servants of the American Board of Agriculture, to give the 'tips' to those with whom they have been in league, to say when the time was to 'bull' the market and when the time was to 'bear' it:—viz.: by 'drawing up the blinds' of the windows in the secret room where the government

statistics were being made up, which meant 'buy' and 'lowering the blinds' when they meant 'sell.'

"To think, for one moment, that the whole cotton trade of the world, as well as the prices of the raw material, yarns, and goods, have been solely regulated by such nefarious practices, combined with others as already enumerated, conclusively proves one of the biggest world's frauds which have ever been perpetrated in connection with these international gambling systems.

"This is no fairy tale or myth, but a record, as you are aware, of actual facts which have occurred in connection with the great cotton industry of the world during the past few years.

"I trust, therefore, that you will, as the trusted representative of the greatest combination of labour and capital, and also in the interests of the world's industries, take this letter to heart in the present world's cotton crisis.¹

(Signed) "CHARLES W. SMITH."

¹ See Appendix, Note 3.

THE INTERNATIONAL JUDICIAL COMMISSION IN EGYPT.

THE above most important Judicial Commission, on which the governments of the following seventeen countries have been represented, viz., Germany, Austria, Hungary, Belgium, Denmark, Spain, the United States of America, France, Great Britain, Greece, Italy, the Netherlands, Portugal, Russia, Sweden, Norway and Egypt, has been sitting during the past two years, on the question of "Bourse-Gambling" in Egypt, in connection with the "option and future" or *marchés à terme* gambling systems, and especially in reference to cotton.

The originator of the Commission was Monsieur Em. Vercamer, the eminent Belgian Judge of the Mixed Tribunal Courts of Alexandria. To support his views, and for the benefit of the Commission and for the world in general, he published two most important historical books, viz., "*Etude Historique et Critique sur les Jeux de Bourse et Marchés à Terme*," and "*La Question Internationale des Jeux de Bourse en Egypte*." Both are standard works. I can soundly recommend them to anyone who wishes to study this world's question.

I have had the pleasure of being in communication with this gentleman during the whole of his campaign, and have done all I could to assist him

by letters to the Egyptian Press, as well as to the Egyptian Government. In my last book, I published a copy of my letter in 1903 to the President of the Commission, per Lord Cromer, as well as giving other particulars in special reference to Egypt.

The outcome of the Commission, so far, has been a specially prepared Bourse Bill by Monsieur Vercamer. That Bill has been under the consideration of the sub-committee appointed by the Commission.

It appears that the large majority of the representatives are in favour of some such alteration in the Bourse-laws, as Monsieur Vercamer suggests. It is admitted on all sides, that this new form of trade-gambling is injurious to Egypt. But, it appears that the chief stumbling-block lies with the British Government and its representatives in Egypt.

In connection with the administration of Egypt, Mr. Heaton, M.P., in the House of Commons, in 1905, asked the Under Secretary for Foreign Affairs, "Whether his Majesty's present advisers shared the views of Earl Granville and the Earl of Rosebery, as expressed in their despatches of 1884 and 1893 respectively, that so long as the British occupation of Egypt continued his Majesty's Government is responsible for the maintenance of law, order, and good government in that country, and whether it was by reason of such responsibility, or upon any other grounds, Egyptian affairs were being administered by Lord Cromer under the

direction of his Majesty's Minister for Foreign Affairs."

Earl Percy replied as follows: "The answer to the first paragraph was in the affirmative. The administration of the country is conducted by the Khedive and his Ministers, with the advice of and under the supervision of Lord Cromer, as the responsible representative of his Majesty's Government."

Mr. Heaton then asked: "Are these Ministers liable to be dismissed from their offices if they do not take Lord Cromer's advice?" Earl Percy answered, "They are under an obligation to follow the advice of Lord Cromer."

While, with special regard to the International Judicial Congress and to Lord Cromer's Official Report in 1904, on the question of "Gambling in Futures," published in Blue-book Form in April, 1905, Mr. Field, M.P., asked the following two important questions last Session in the House:

1st. "To ask the First Lord of the Treasury, whether he is aware that the International Judicial Congress, which sat last year in Egypt on the question of gambling in 'futures and options' on the bourses of that country, has described the practice, by a majority of the seventeen countries represented, as a cause of evil to that country: and whether, in view of this finding, the Government will endeavour to arrange an International Congress, with the object of preventing combinations to fictitiously raise the prices of raw materials, foodstuffs, minerals, and shares, for the benefit of a number of operators, as opposed to the interests

of manufacturers, consumers, and *bonâ fide* speculators."

Answer: "No opinion has been expressed on this subject by either the Plenary Commission or Sub-Commission on Judicial Reforms in Egypt, but it is still under consideration. A circular has recently been addressed to the Powers inviting them to instruct their representatives at Cairo to continue to study the question."

2nd. "To ask the First Lord of the Treasury, whether, in view of the opinion expressed by Lord Cromer, as stated in his Official Report for 1904 on gambling in "futures and options" on the Bourses of Egypt, in conjunction with the resolution passed at the International Cotton Congress at Manchester on the 9th inst., he will consider the advisability of the Government instructing his Majesty's representatives in Egypt, who are at present sitting as members of the International Judicial Congress on the question of gambling in "futures" in that country, to advocate repressive international legislative measures for the joint benefit of Egypt and of manufacturers, operatives, and users: and whether he will give instructions that the official proceedings of the International Cotton Congress recently held in Manchester, and also those of the International Agricultural Congress held in Rome, be published in Blue-book form in the same way as Lord Cromer's Report in Egypt was published."

Answer: "The honourable gentleman has, I think, misapprehended the views expressed by Lord Cromer in his Official Report for 1904, as the

following passage will show: 'On the other hand, most authorities hold the opinion, in which I venture to express my entire concurrence, that it is practically impossible, by legislation, to put a stop to speculation, without, at the same time, causing great hindrance to trade in general. If anything is done, it will probably be in the direction of preparing a "*Reglement de Bourse*." . . .' In view thereof, and of the fact that the resolution of the International Cotton Congress merely suggested certain technical alterations of trade practice, I do not think it would be expedient to act on the suggestion of the honourable gentleman. I have no right to give any instructions as to the publication of the proceedings of the International Cotton Congress, which is an unofficial body, and as to the publication of the proceedings of the recent International Agricultural Congress, perhaps the honourable gentleman will consult the President of the Board of Agriculture."

I have quoted the above answers and questions in the House, because the first answer clearly shows, as is well known, the power of the British Government, in conjunction with Lord Cromer, over Egyptian affairs.

It further proves that Lord Cromer is virtually under the supervision of his Majesty's Government, and that the Egyptian Ministers are under an obligation to follow the advice of Lord Cromer. This is tantamount to saying that the British Government, as the predominant partner, is really responsible for the maintenance of law, order, and

good government in that country, and that the Khedive and his Ministers are "nowhere."

The second answer to Mr. Field shows that, by only quoting one short passage in Lord Cromer's report of 1904, and by ignoring the other more important passages in the same report, as well as the strong condemnatory remarks made by Lord Cromer in his official report in 1903, the full text of which I published in my last book, the Government, or those officials of his Majesty's departments who prepared the answer, have attempted to blind the House with regard to Lord Cromer's opinions in connection with the ruin done throughout Egypt by such gambling, not only in Egyptian stocks, but also in cotton.

During the past two years it is well to point out that not only have Egyptian cotton manufacturers, but also Egyptian sugar refineries,¹ been partially ruined by these very same systems; the first by the cotton "corner" in 1903, the latter by the "world's" sugar crisis in 1905.

The same answer also clearly demonstrates that the Government has no desire to attempt to lay before the House and the country the result of the various international congresses which have been held in connection with this subject. In fact, just the reverse, for it proves it wishes, by every means in its power, to boycott all information.

This being so, how can the Government take up the position it has done?

Lord Cromer stands in the very foremost rank of

¹ The Société des Raffineries d'Égypt. Declared bankrupt in 1906.

all British administrators. He is the responsible representative of his Majesty's Government. No one knows the economic position of Egypt better than he does. He has the welfare of Egypt at heart. His interest in the well-being of that country is undeniable, while his official words in 1903 towards the Egyptians are most touching, and come from his heart. Let any one read them and they will appreciate the truth of what he says.

For example, he says, after dwelling upon the ruin caused by such gambling as well as upon some of the stratagems of the gamblers with a view of producing a monetary effect on the price of cotton : " I cannot flatter myself that anything I can say will prevent a recurrence of this state of things. The inveterate gambler will, I conceive, continue to gamble in spite of any warnings which may be addressed to him. Nevertheless, I have lived for so many years amongst the Egyptians, and I sympathise with them so deeply, that I cannot refrain from doing my best to discourage a practice which I believe may be very hurtful to a large number of them."

While in Lord Cromer's official report for 1904 he says : " The harm that is done by reckless speculation is undeniable. In no country is the evil more apparent than in Egypt, where all classes of the population appear to become, year by year, more infected with the spirit of gambling. Although I do not purpose to enter into any general discussion in this difficult and important question, I wish to make a few remarks on gambling in cotton, in so far as the native population,

and especially those who reside in the rural districts, are concerned. I am given to understand that no inconsiderable number of Egyptians read my annual reports, and that they do me the honour of attaching some importance to what I say. From one point of view they are certainly right in doing so, for I am their very sincere well-wisher, and I have spent some of the best years of my life in endeavouring to improve their condition, moral and material. If this be the case, the advice I have to give to the Egyptian cultivators—and I shall be very grateful to the native Press if they will draw marked attention to that advice—is, first, that they should abstain from gambling in cotton.”

Could any words be stronger or more forcible, used, not in an unofficial position, but as his Majesty's agent and Consul - General on the finances, administration, and condition of Egypt and the Soudan?

It will be observed that Lord Cromer does not issue his reports as an expert, but simply as a man who has the welfare of the country at heart, and fully recognises the ruin that has been done, and will yet be done, to Egypt by these gambling systems.

He admits it is a difficult and important question. I admit the latter, but not the former, for reasons already stated in previous chapters. But at the same time I am convinced that unless some restrictive international legislation does take place, sooner or later the ruin of Egypt will be accomplished by these international gambling

systems, especially in cotton, which raw commodity, as Lord Cromer admits in his report in 1904, "forms the principal basis for the wealth of Egypt."

However, with regard to the other remarks made by Lord Cromer in his report for 1904, the following letter I addressed to him in 1905 will speak for itself.

It will, I trust, help to convince those who are responsible for ruling Egypt that, in order to cure the evils caused by the gambling systems in the interests of that country, as in all others, it is absolutely necessary that some decided legislative international measures be adopted than the mere preparing of a *Reglement de Bourse*.

Copy.

"TO THE RT. HON. LORD CROMER, G.C.B.,
K.C.S.I.

"Cairo, *June*, 1905.

"MY LORD,—On the 9th December, 1903, I had the honour of addressing the President of the International Judicial Commission, through your Lordship, a special letter on the question of 'Bourse - gambling in Egypt.' I have lately read with great interest your Lordship's official report for 1904 on the same subject, as issued in Blue-book form by H.M. Government.

"Will your Lordship permit me to again bring certain salient factors forward, which evidently have escaped your Lordship's notice, and which I trust may prove interesting, not only to those who rule

Egypt, but especially to the Egyptian cotton planters, as I notice your Lordship refers in the most forcible manner to the fact 'that the wealth of Egypt, and therefore to a great extent the revenue of the Government, depends largely on the quantity of cotton produced, and also on the price of cotton.'

"Further, your Lordship says: 'As regards the the first of these two considerations, every present indication points to the conclusion that the quantity of cotton capable of being produced in Egypt, and in the Soudan, is likely to increase in the future. The price is obviously a more uncertain factor. In deciding all matters involving either a reduction in the revenue, or an increase of expenditure, the possible contingency of a heavy fall in the price of cotton has, therefore, to be borne in mind.'

"Now, bearing in mind your Lordship's important remarks as quoted, I would first point out that the quantity of a commodity sown is regulated to a large extent by the ruling present price as well as by the future price for that commodity.

"If the price is low and unremunerative to the planters, the quantity sown is reduced. If high and remunerative prices prevail, the quantity sown is as much as the land can hold. Weather and water, etc., settle the quantity actually produced out of the sowings. It may be a good or it may be a bad season. That lies in the hands of Providence.

"But this system of dealing in 'future' contracts, originated by man, 90 per cent. of which is only gambling in 'fictitious' products, is the sole regulator of prices. That is to say, it is the values of

these fictitious crops which regulate the present prices, as well as those for three, six, and twelve months ahead of the actual products, in the shape of 'futures,' grown by the Egyptian cultivators and planters, thus nullifying the laws of supply and demand of the actual commodity, as given by Providence. The members of the Exchanges, year in, year out, being omnipotent over prices at the expense of the producers.

"I will give an object-lesson at the present moment applicable to Egyptian cotton.

"*The Times*, in its commercial and financial articles of May 22nd and 29th, says: 'The new crop so far has made good progress. Meanwhile, the "bull" clique at Alexandria continues its efforts to "corner" May cotton. The leaders claim that they control all supplies of this crop in sight or still to come into sight. The market remains in an artificial position through the manipulations of the Alexandria clique, whose intention is reported to be to carry their operations from May to July.

" 'The Alexandria General Produce Association telegraphs value of

July,	1905,	"Futures"	15·6
August,	„	„	14·28
November,	„	„	13·8
January,	1906,	„	13·2'

"Your Lordship will observe, therefore, that while the Exchange gamblers are the holders of the cotton (both the present and near supplies), a 'corner' has been established by them, for their special

benefit, and the price of the summer months, 1905, is quoted as high as 15·6. But, when the poor Egyptian planters have to sell the bulk of their crops in the height of the cotton season, the price is 'put down' by these very same men to 13·8, and even down to 13·2 for the year 1906.

"And these latter quotations merely represent 'fictitious' cotton, at prices at which the planters have to sell, they having no voice in the matter of making quotations on the Exchanges. They standing, as it were, as compulsory 'bulls' of the actual growing cotton; the members of the Exchange being the 'bears.' The latter invariably win when it suits their 'financial books,' the bulls invariably losing, whether they be the innocent cultivators or 'bulls' of purely gambling 'future' contracts.

"'Corner' years are the sole exception. In my letter of the 9th December, 1903, to your Lordship, I brought forward the Egyptian cotton corners in that year in Liverpool and in Alexandria as powerful object-lessons.

"The price was forced up unnaturally in Liverpool to 11½*d.* per lb. After the syndicate failed, a panic took place, and the new crop of Egyptian cotton was sold at 7¼*d.*, a decline of 4¼*d.* per lb. in one week. This meant a prospective loss to the Egyptian cultivators, at such a price, on their new crop, of about £10,000,000.

"We had a repetition of it last season, when Sully of New York failed, prices of American and Egyptian cotton falling heavily. While speculators lost enormously by their gambling operations,

and the cotton trade of the world was disorganised and paralysed, the greatest of all sufferers were the producers all over the world, who were helpless to defend themselves, for the 'bears,' as is well known, forced American cotton down from 9*d.* to 4*d.* per lb., and Egyptian cotton fell sympathetically in about the same ratio.

"Again, take the seasons from 1890 to 1900. There were no corners, and the 'bears' were victorious. In consequence, American and Egyptian cotton fell to the lowest prices ever known, the former for example to 3*d.* per lb., the planters of both those countries were practically ruined.

"Thus, your Lordship will realise how it is, using your own words, 'that you have come to the conclusion that my Egyptian friends, though greatly addicted to gambling, are generally such bad speculators that in the large majority of cases they lose.'

"I may remark this is the case all over the world. It is for the simple reason that such outsiders cannot compete with the Exchange gamblers under the 'future' systems. It is a most unfair and one-sided competition. The outside speculators are playing against loaded dice. The Egyptian speculators and the cultivators are the 'bulls,' the latter compulsory ones, so far as regards their growing crops. The 'bears' are the Exchange gamblers, as I said before. These latter are omnipotent over prices when it suits their operations. The same is the case when they are 'bulls.'

"The result, therefore, under these international gambling systems, in the absence of 'corners' is

a heavy fall in the price of all commodities, while, after the collapse of the 'corners,' the result on prices is the same. The 'bears' must ultimately prove victorious, and history will, sooner or later, repeat itself again, as in 1890—1900. This must react, as your Lordship truly points out, in a most serious manner, both on the revenue and expenditure of a country, and especially upon Egypt in connection with cotton.

"For low prices and unnatural cheapness, arising therefrom, can only displace labour and bring agriculture to a languishing condition, and affect the national prosperity of every nation. For, after all, agriculture is the backbone of every country, and all are, more or less, solely dependent upon its prosperity.

"Your Lordship further truly says 'that the harm that is done by reckless speculation is undeniable. In no country is this evil more apparent than in Egypt, where all classes of the population appear to become, year by year, more infected with the spirit of gambling.'

"In my opinion, and I speak with experience since 1875, the year when these cotton-future-systems were introduced into England, the gamblers in that country as well as in all others, have been led into gambling operations, not by choice, but by almost sheer necessity, owing to the introduction of these 'bull and bear' systems on the Exchanges.

"Gambling is innate in man, and this is equally applicable to the Egyptian. He only wants the

opportunities to carry his gambling instincts into actual operations. Thus those governments are solely to blame who allow these opportunities and do not attempt to take any steps to prohibit them.

“In fact, by allowing the continuance of these ruinous systems, they not only countenance, but actually encourage such gambling acts, which not only destroy man’s business honour and working capabilities for honest trade, to the detriment of himself, his family, and the State, but also allow, by such means, the power of ruining the world’s agriculture, trade, and finance.

“I regret to notice, therefore, that specially with regard to the latter national and imperial evils, your Lordship ‘concurs with most other authorities in the opinion that it is practically impossible by legislation to put a stop to such gambling, without, at the same time, causing great hindrance to trade in general.’

“I am aware that this is the general but ignorant opinion amongst outsiders. It is at variance with all experts’ opinions and those who have studied the subject.¹ Your own words show plainly that your Lordship fully realises the ruin brought about by these systems on Egypt.

“Numerous foreign governments have, however, found the means of doing it by special national legislation; but the legislation ought to be of an international character, as the words trade, agriculture, and finance are now international.

“The British Government stands isolated, in

¹ See p. 297, Mr. Balfour’s statement.

refusing, year after year, to take the initiative. In fact, it has never attempted any legislative measures. It has boycotted the question. What are Governments, Parliaments, and the Law Officers of the Crown for, except to introduce legislation in order to eradicate acknowledged national and other evils?

"All are sent by the people with that express object. It is their paramount duty to attempt, at any rate, to grapple with this universal cause of ruin. If they do not do so, they are not doing their duty to the nation at large, whether it be applicable to Great Britain or to Egypt, and will be held responsible for the downfall of both.

"However, I live in hopes that the various 'international' Congresses sitting in 1905—viz.: The Cotton Congress, the Chambers of Commerce Congress, the Judicial Commission in Egypt, and above all, the Agricultural Congress at Rome, will amongst them be able to solve the supposed difficulty.

"But, if it is not possible for these various Commissions, or for the legal adviser to the Egyptian Government, to solve it, and should your Lordship wish it, I am willing, under certain conditions, to supply, for the benefit of the sub-Commission in Egypt, a copy of the 'Heads' and 'Particulars' of my Anti-Future Bill, prepared some ten years ago, at the express wish of the Duke of Devonshire and other members of his Majesty's Government.

"This Bill meets all the imaginary difficulties, and at the same time, causes no hindrance, either

to legitimate speculation in the 'actual' products, whether on the spot or in 'future' or other paper-contracts representing actual products, or to *bonâ fide* trade. On the other hand, its aim is to protect one and all; the proposed Bill being merely drawn up to prohibit the international 'bear' operator, and hence, the pure and simple gambling operations in 'fictitious' products, *à la* Leeman's British Financial Act of 1867, the French Government Financial Bill of February, 1904, and the proposed Belgian Financial Bill of 1905.

"No wonder this international question is, at last, forcing its way to the front all over the world. For, during the past few years, we have witnessed an upheaval in trade, agriculture, and finance, as well as in the leading world's commodities, caused solely by these international 'bull and bear' systems: viz., in wheat, maize, flour, wool, sugar, cotton, pig-iron, copper, hops, tin, etc., and in no years have the ruinous results in the world in general been more apparent than in 1903—1905.

"May what have been officially termed in Egypt my 'idealist views' be realised, in the common interests of that country, before it is too late and before a financial catastrophe actually happens!

"I apologise for trespassing upon your Lordship's time, and can only trust that such absolute facts as I now briefly bring forward will have due consideration from your Lordship, as well as the authorities who rule Egypt.

"P. S.—Since writing this letter, I notice *The Times* of the 29th inst., with reference to a proposal

for a 'future' market in grain in Buenos Ayres, says:

“ ‘Speculators abounding here in shoals are in favour of a local “future” market, and, given the gambling spirit which appears to be engendered by climatic or other influences, it is feared that “options” and sales in time-bargains will only foster a wild speculation, likely to be detrimental to the true agricultural interests. The reasons adduced for closing similar “future” markets in Berlin and Vienna will be here strengthened tenfold.’

“ I rejoice to see such sound views expressed. And, in my opinion, taking into consideration the Argentine Government's past actual and proposed laws, *re* the question of gambling in finance and in commodities, this Government will never sanction the proposal of the speculators.

“ For the memory of the 'Baring Collapse' in 1890, the direct outcome of gambling in the gold-paper currency on the Buenos Ayres Exchange, combined with similar gambling operations in silver in New York and in London, must be still green in its memory.

“ The former gamble terminated in the bankruptcy of the Argentine Government, while the combination of both gambles caused a world's financial and commercial panic.

“ Surely such a state of universal ruin, which lasted up to 1894, ought to have been an everlasting object-lesson to the world in general, in connection with the result of the combination of financial and commercial gambling, through 'options and futures.'

(Signed) “ CHARLES W. SMITH.”

Copy.

“ British Agency, Cairo, *June 7th*, 1905.

“ SIR,—I am requested by Lord Cromer to acknowledge the receipt of your letter on the subject of ‘gambling in futures,’ which his Lordship has handed to Mr. McIlwraith, legal adviser to the Egyptian Government.

(Signed) “ M. de C. FINDLAY,
“ *Councillor of Embassy.*

“ To Charles W. Smith, Esq.”

I am aware that virtually the whole responsibility with regard to the question of gambling in “futures” in Egypt, rests with the legal adviser to the Egyptian Government, who also is the active British representative on the Commission; just as in a similar manner in Great Britain, the full responsibility, in connection with the same subject, lies with the heads of the Board of Trade and other public departments. Mr. McIlwraith is the adviser in Egypt, just as the heads of his Majesty’s departments are the advisers to the British Government. Such a state of affairs is wrong, both in principle and in fact.

THE INTERNATIONAL CONGRESS OF CHAMBERS OF COMMERCE AND OF COMMERCIAL AND INDUSTRIAL ASSOCIATIONS.

THE question of gambling in "options, futures, and warrants," has on several occasions been introduced at the annual meetings of the Associated Chambers of Commerce of the United Kingdom. The first occasion was in 1891, when a Bill was introduced into the House in connection with gambling in "warrants" of pig-iron.

As I gave full particulars in my last book, I will not reiterate them here. Suffice it to say, the arguments used confirmed my views entirely, as to the universal ruin done to the British iron and other metal trades by such gambling operations.

The second and third occasions on which this subject was introduced were in 1894 and in 1896, at the instigation of the writer, and they directly dealt with the international systems of "options and futures" and "commercial gambling" generally. It was supported by influential members, but the resolutions were negatived, chiefly owing to the opposition by Chambers of Commerce interested in the continuance of these systems.

The fourth occasion happened in 1905, when it was introduced by Mr. W. T. Rowlett, late President of the Leicester Chamber of Commerce, and was

ably supported by Mr. W. Field, M.P., and others, but the proposed resolution met with the same fate, as those of 1894 and of 1896.¹

In connection with the 1894 resolution, it is well to quote the words of the late Sir Courtenay Boyle, permanent secretary of the Board of Trade. If Sir Robert Giffen, Sir Alfred Bateman, his successor, as well as others at the head of this department, in conjunction with the lately-established Advisory Committee to that Board, had only done their duty and realised the truth of those words, instead of ignoring them and being antagonistic, I am convinced that the question at issue would have received, years ago, official recognition by the British Government, and that, in consequence, British trade would not now be in the perilous condition which it is. I can also refer to the strong words of the Inspector-General of Bankruptcy in his official report of 1895 on the same subject.

Sir Courtenay Boyle said: "Commercial gambling stands condemned by the common consent of all those who have any knowledge whatever of the subject. It stands condemned by every writer upon political economy who has given his views to the world, and it needs no representation from anybody whatever to convince those who watch the progress of trade, that commercial gambling is an evil, and an unmitigated one."

Mr. W. T. Rowlett fully recognising the enor-

¹ The fifth occasion was on March 7th, 1906, "praying the Government to support the Milan Resolution," as given on p. 155. Defeated again by interested "gamblers."

mous importance of the subject to the world in general, brought it forward again before the International Congress of Chambers of Commerce and of Commercial and Industrial Associations, at Liège, in September, 1905.

The important resolution he proposed was cordially received and favourably commented upon by the Chairman. It was, however, sent in too late to be discussed at that meeting, and was placed on the paper for consideration at the Congress to be held in Milan in 1906.

Thus, the members of the "International Commercial Parliaments" will have an opportunity this year, of expressing their opinions. I can only trust, that, in the interests of the world's trade and in those of humanity, they will speak out with no uncertain voice, and thus support Mr. W. T. Rowlett and the other men interested in their endeavours, using Mr. Rowlett's words, "to combat this great scourge against honest commerce by every legitimate means."

In connection with this forthcoming Congress, I have received from Mr. Rowlett the following plain and straightforward statement. It is the honest conviction of a business man, gained from vast experience. It is a powerful address to all other business men. It is a true statement of facts *re* the basis of modern commerce all over the world. It briefly describes the ruinous results of these international gambling systems, relative to the two most important world's textile industries. May the members of the forthcoming Congress take them

to heart, and do their duty in 1906, by unanimously supporting Mr. Rowlett's resolution !

The following is a copy of the statement :—

“ The international systems of gambling in raw materials, foodstuffs, metals, etc., have reached a point which renders them a menace to the well-being of legitimate commerce throughout the world, and thus threatens the livelihood and the very existence of the working or labouring classes.

“ It therefore becomes important to combat this great scourge against honest commerce by every legitimate means.

“ In 1904, at the International Judicial Congress in Alexandria, the matter was seriously discussed. At the International Congress of Chambers of Commerce and Industrial Associations, held in the Liège Exhibition in September, 1905, the following resolution was proposed by the Leicester Chamber of Commerce, and accepted for discussion by the International Congress of Chambers of Commerce to be held in Milan in 1906—

“ That in view of the acknowledged great loss and injury inflicted on the world's commerce, industry, agriculture and finance, as well as on legitimate speculation in actual commodities, by the international systems of gambling in ‘ options,’ ‘ futures’ (‘ marchés à terme’ or time bargains) and ‘ warrants,’ which represent ‘ fictitious’ commodities, such as raw materials, foodstuffs, and metals; this International Congress strongly urges all Chambers of Commerce to make earnest representations to the governments of their respective countries (the majority of which have already, either by actual or proposed repressive legislation recognised the evils of the systems) in order to obtain international legislation inflicting severe penalties on all persons speculating in such commodities, unless the said commodities contracted for are, either directly or indirectly, ultimately delivered by the sellers to the respective buyers.”

“One of the greatest difficulties in arousing commercial men to take part in this crusade arises from the fear that such action would render it difficult for them to buy in advance for their probable wants, and to cover themselves when the time seems ripe for their purchases.

“This action is what may properly be termed ‘legitimate speculation,’ and our endeavours to check gambling instead of preventing this legitimate speculation, which is only ordinary commercial foresight, would protect it and keep it within its proper limits.

“At the present day the manufacturer or the merchant who does not buy at the proper time has, under these systems, no chance against the gamblers, and thus it is all-important to keep this power open for them.

“What we wish principally to prevent is the gambling in these products by outsiders, whose only object is to make money out of the losses of others, and not to deal in articles of commerce at all, but who simply buy and sell ‘futures,’ which are never consummated, but only settled by the payment of ‘differences,’ according to the fluctuation of prices.

“We have seen thousands of people ruined by the manipulations of unscrupulous gamblers in wool, cotton, iron, copper, wheat, sugar, and a host of other materials.

“The unscrupulous gambler does not stop at any nefarious proceedings to accomplish his purpose, and there is very little to choose between

his doings and those of the worse class of betting men.

“ The statistics of the various crops are falsified, and the reports made favourable or otherwise, according as the manipulator is a ‘ bull ’ or a ‘ bear.’ ”

“ During the past few years we have seen some notable examples of the injury inflicted upon honest commerce by these transactions.

“ In the wool trade there are exchanges established at Roubaix, Antwerp, etc., for the purchase and sale of ‘ tops ’ or combed wool, which is the form in which it is bought by most spinners of combed wool yarns.

“ The prices are quoted daily in ‘ futures ’ several months in advance, and gambling takes place all the year round, while at times advantage has been taken of this custom to gamble in ‘ tops ’ to such an extent as to cause the ruin of the world’s woollen industry.

“ In January, 1898, the price in Antwerp was 3 *fr.* 72½ *c.*, and by the manipulation of the gamblers it was gradually raised to 6 *fr.* 65 *c.*, in November, 1899, or nearly double the price, and afterwards driven by the ‘ bears ’ in 1900 to 3 *fr.* 35 *c.*, or lower than the price from which it started.

“ The result of this was a loss to the district of Roubaix alone of about five millions sterling, and the destruction of confidence in the price of wool all over the world.

“ At the present time wool is dear, especially in the lower and medium qualities, and although the

high price has been principally brought about by legitimate causes, no one has any confidence in its being maintained; as, after the result of the experience of the year 1900, everyone is in a state of nervousness, and a very slight fall in value is sufficient to bring about almost a state of panic, in the fear of a repetition of the experience of 1900.

"In the raw cotton trade we have had a most disastrous example. In 1903-04, the gamblers forced up the price of American cotton from $4\frac{1}{2}d.$ per lb. to $9d.$, and in a few months the 'bears' forced it down to $4d.$, and again this year the 'bulls' have driven the prices up about 50 per cent.

"The great centre of these operations is in America, but almost every European country participates in the gambling, and therefore an 'international' movement is needful to repress it.

"The fictitious sales in cotton surpass anything on record. The crop of American cotton is about 11,000,000 bales, and during the gambling of 1903-04, this quantity was sold in one single week, and this year the sales have varied from 200,000 to 1,000,000 bales per day. Surely no greater proof of the absolute immorality of these gambling proceedings could be given?

"The manner of action of these gamblers amounts to conspiracy and obtaining money under false pretences. Both of these are criminal acts, and ought to be treated as such.

"It seems incredible that civilised society should allow men to become rich by such nefarious means, and to be able to regulate the price of articles of

prime necessity throughout the world; and it behoves every man who has any desire for honest commercial dealing, to take some part in measures for suppressing them.

“As an instance of the length to which these operations will go, may be mentioned the recent scandal in the American statistical bureau, where the cotton statistics were falsified by one of the under officials in an office with closed doors, and the figures to be published were communicated in advance to a confederate outside by preconcerted signals, through ‘raising and lowering the window blind.’

“This information enabled him to raise the price of cotton one cent per pound in five minutes, and thus to gain 500,000 dollars, or £100,000.

“It is not the object of the writer to enumerate all the various materials in which gambling takes place: the above instances of textile raw materials will suffice for his purpose.

“His main object is to arouse the attention of all commercial men interested in the legitimate trade of the world, to the great scourge this international gambling has inflicted upon honest commerce, and the means to be adopted for combating it.

“He would emphasise what has been already said, namely, that such proceedings would not in any way prevent the legitimate trader from anticipating his wants. The difference between legitimate speculation and illegitimate gambling may be thus briefly stated :

“Legitimate speculation is contracting in advance for materials for anticipated requirements, which are ultimately delivered, either to the contractor or to his nominee.

“Illegitimate gambling is contracting for ‘fictitious’ commodities, which are not intended to be delivered, but only the ‘differences’ in the ‘future’ price paid over to the buyer or seller as the case may be, when the transaction is open and before it is closed.

“The evil being ‘international’ cannot be prevented so long as it is permitted in any country, inasmuch as no legislation can prevent the inhabitant of one country from gambling in any other.

“The remedy proposed is, that all Chambers of Commerce shall make earnest representations to the governments of their respective countries, in order to obtain international legislation, inflicting severe penalties on all persons speculating in ‘fictitious’ commodities such as raw materials, food-stuffs, and metals, unless the said commodities contracted for are, either directly or indirectly, ultimately delivered by the sellers to the respective buyers.

“The interests of the professional gamblers are enormous. It is therefore of the greatest importance that legitimate traders should do their utmost to obtain this most needed legislation, and to check this conspiracy against sound commercial morality.

(Signed) “W. T. ROWLETT.”

In connection with the foregoing statement, I can add that, with regard to the ruin to the world caused by wool gambling, especially in connection with the "world's" panic caused thereby in 1899—1900, as referred to by Mr. Rowlett, the direct result was the introduction of a French Government Bill in 1900. This Bill was defeated by 135 votes—say, 327 to 192.

The ruinous and unnatural prices during 1900—1903, were the direct outcome of the "world's" wool corner in 1899. For the result was that the world's producers of wool were practically ruined when the "corner" collapsed in 1900, and in consequence there has been during the past few years what is called a "famine" in sheep.

For example, in Great Britain, there were four and a half millions less sheep in 1904 than in 1892, while in many other great producing sheep-countries the decrease is even more noticeable.

With regard to wool itself, it stands in quite a different economic position to the world's other great commodities, like wheat, cotton, sugar, etc. These latter can be planted at once as each season comes round, but with wool, the lambs have first to be born and reared, and this all means years before sufficient quantities can be grown to meet the world's yearly increasing requirements;—hence, the unnatural low prices, due to the collapse of the 1899—1900 "corner," stands apparent to-day in

the unnatural high prices ruling in every part of the world.¹

To prove the acknowledgment on behalf of the world of these gambling systems in previous years, the German-Austrian-Russian and Swiss Union of Wool Spinners and Manufacturers forwarded to the German, French, and Belgian Governments, an international petition in 1895 for the suppression and abolition of the gambling in the "futures-Tops-markets."

As I gave the full text of this most important petition in my last book, I will not here repeat it. Suffice it to say, that the various clauses in the address confirm all that Mr. Rowlett says as to the ruin caused to all honest commerce all over the world by wool-gambling.²

To support this international petition, the London Colonial Wool Association unanimously passed, in 1895, the following resolution: "That in the opinion of this Association the effects of the terminal markets for tops are prejudicial to the interests alike of producer and consumer, and affect adversely the entire woollen industry."

Thus we have the honest acknowledgment, not only on behalf of the traders in Great Britain, but also on behalf of those of the principal leading Continental countries engaged in the woollen industry that this international system of gambling in wool "futures" is detri-

¹ For example, the price of Lincoln hogs has risen over 100 per cent. since 1902.

² See Appendix, Note 5.

mental to the world in general, both to the producers and consumers.

In order fully to confirm Mr. Rowlett's words with regard "to the ruin of thousands of people caused by the manipulations of unscrupulous gamblers in wool, cotton, iron, copper, wheat, sugar, etc.," I am in a position to give the names of hundreds of the richest and most influential British firms established in Great Britain and in its colonies, who, since 1875, have either failed, been partially ruined, or have been forced to curtail or retire from their business, in order to save their own "financial necks," simply because they acknowledged, as Mr. Rowlett puts it, "they could not stoop to the nefarious proceedings the unscrupulous gambler does to accomplish his purpose," and consequently could not compete with him under these swindling systems.

Such a state of affairs must be a sad blow to British trade and to British labour, as well as be a direct cause of ruin to the nation at large.

For, as Mr. Chamberlain put it in his speech at Birmingham on November 3rd, 1905: "The balance of trade gets greater and greater against us. Who is it that loses by this? Is it the rich? Not necessarily at all, they may continue to make more money than ever—by financial operations, by carrying their works abroad, and by other devices. The people who lose are the working people of the country."

While, with regard to the rise in values in wool, etc., as referred to later on, he said: "But as to

this rise, he (Mr. Asquith) has not looked below the surface, he does not tell you that it is due to temporary causes and mainly to an increase in the price of raw materials which does not help labour one bit, since the raw materials do not come from this country, but from foreign countries which enjoy any benefit which the rise in prices can bring."

Exactly so ; and I can also point out that neither does Mr. Chamberlain look below the surface for the causes of this or of other rises, which are solely unnatural and due to gambling operations, as I shall presently demonstrate ; while, another important point that both Mr. Asquith and Mr. Chamberlain missed in their press-wrangle over the Board of Trade Returns, in connection with these rises, is, that no comparison of figures, under these systems, is any criterion of the prosperity or the reverse of the nation.¹

For, although these returns may show, for example, on the face of them, larger figures in comparison to former years, due to these "unnatural" rise in prices, it is this very fact which in itself is causing heavy losses to British manufacturers and users ; while all men will support me in the statements that under these systems smaller profits are now being made with a larger turnover, and that larger profits and more certain ones were made on a smaller turnover before they were introduced.

Now, owing to the "corners," or to the result of corners, in wool and in cotton, as referred to in

¹ See Appendix, Notes 1 and 19 ; also pp. 62-65 of author's first volume of this book (1904).

Mr. Rowlett's statement, Great Britain has had to pay in 1904, in comparison to 1902, three millions extra cost for its raw wool and eleven millions extra cost for its raw cotton. In other words, fourteen millions sterling was paid by Lancashire, Cheshire, and Yorkshire for the extra cost of their raw materials.

Also, owing to the late sugar "corners," British jam and other manufacturers have had to pay many millions extra cost for their raw sugars. Add to these the result of the various corners in cotton since 1900, and the total extra cost for these three commodities alone would tally up to some forty millions or more, which loss has been distributed over British manufacturers, users, and consumers.

And then we hear Mr. Chamberlain and his supporters pretend to express blank astonishment and regret that British traders cannot compete with foreigners, that British trade is falling off or not expanding in the same ratio as the German and other trades are, and that the British working man is out of employment and that pauperism and starvation is on the increase!!

All this extra cost for raw materials, arising from unnaturally high prices, is "artificial" and solely due, directly or indirectly, to international gambling operations in "options and futures," or *marchés à terme* contracts, in "fictitious" commodities; all of which, whether it applies to iron, copper, tin, textile fabrics, sugar, foodstuffs, or to any other raw material, means, that the working classes are being indirectly "taxed" to the extent of from 20

up to 100 per cent. over and above what the "natural" prices ought to be if such "corners" did not exist.

And I venture to express the opinion that, if the working classes were only aware what were the swindling causes for them, they would rise to a man and demand the government of the day to suppress the "systems," by which these extra costs for raw materials are "artificially" raised against them.

While, the latest international aspects of the "world's" wool and cotton "corners" in 1905, are, that with regard to the former, the international "bears" seem to be at the tender mercy of the "bulls," both in the Antwerp, Havre, and other Continental markets.

With regard to cotton, comes the announcement from the President of the United States Southern Cotton Association of another world's Convention to be held in 1906, between representatives of Lancashire, Continental Europe, the New England States, and other parts of America, "for the purpose of establishing closer relations, to safeguard their interests from wild speculation, and for fixing stable prices for cotton."

At the International Cotton Congress, held in Paris, on November 13th, 1905, and attended by representatives from France, England, Germany, Switzerland, Austria, Italy, Spain, Portugal and Belgium, with the object of "avoiding pitfalls to the cotton industry of the world brought about by the actions of speculators and for the protection of the legitimate interests of the cotton

trade and the study of the means which will counteract the influences of gambling operations, which are detrimental to the welfare of both growers and consumers," various remedies were suggested, equally futile as the others previously proposed at former congresses, most of which I have already dwelt upon in a special chapter.

And what do these various congresses signify? Why, a declaration of war on behalf of cotton planters and users against the world's exchange and other cotton gamblers in "options and futures."

They further mean a declaration of war between the growers of cotton on one side and the users of the world on the other. For, while their interests are identical so far as the ruin done to both by these gambling systems are concerned, the former does not want any legislative steps taken, so long as these systems are in vogue, against the "bulls," while the users are in a similar position with regard to the "bears."

The growers want "artificial" dear cotton. The users want it to be "artificially" cheap.

As a powerful and late example of the former, the American Southern Cotton Association on November 16th (that is a few days after the above Congress) notify, "that they are perfecting plans for taking off the market three million bales of cotton, in order to defeat Mr. Theodore Price and others' latest international "bear" campaigns"; thus clearly proving the utter insincerity of one and all of these men, for the consumers and masses of the world are never taken into their consideration

so long as their "individual" interests are protected against these "bull and bear" operations.

And this in an industry, the second in the world! Such facts speak stronger than any words I can pen, besides proving the utter demoralisation throughout the world's cotton and wool trades caused by these international gambling "option and future" systems.

Should the "bulls" ultimately prove victorious, headed by Mr. Hoadley, the new "Cotton King," and push cotton up again to unnatural prices, such as they did in 1903, the end can only be a repetition of that year in 1906, with losses to the world's employers (Free traders or Protectionists), misery and loss of wages to the operatives and their families, and an unnatural range of prices to the world's consumers.

And may I ask the honest traders of the world, not forgetting the tens of millions of honest labourers dependent upon them,—are they content, under such nefarious proceedings, to sit still with folded arms, and thus witness their respective trades and industries "wrecked" in the future by such "bull and bear" iniquitous conspiracies? ¹

¹ See Appendix, Notes 3 and 5.

THE WORLD'S SUGAR CRISIS IN 1905.

AFTER the swindles in connection with the world's cotton crisis, those in connection with the world's sugar crisis in 1905 stand most prominent. If it is possible, they even overshadow them from every point of view. And the sole origin is the same as with cotton—that is through the international gambling “option and future” systems in beet-sugar on the Continent and in Great Britain.

Now sugar, like cotton, is one of the leading commodities of the world. It is one in which producers, users, and consumers are directly interested. All went well with this world's industry until these systems were introduced of an “international” character about 1882.

Since then all has gone wrong with it. At one time, owing to the “bears,” the producers, both of cane and beet stood to be ruined. Another time, owing to the “bulls and to corners,” it is the users, sugar refiners, and other allied industries, whose basis of business is “sugar,” as well as the consumers, who stand to be ruined.

This represents the true state of affairs since about 1882. Between that year and the present year, the world has had examples far too numerous of both to quote them.

But the most ruinous “bear” raid ever made was about 1887, when beet-sugar declined from

20s. per cwt. to about 10s. The result of which was ruin to producers of cane and beet, refiners, merchants, etc., and practically this raid was the cause of the ruin to the West Indies.

Having dealt with these former sugar crises in previous books, my intention here is only to treat with those of the past few years, and to prove by absolute facts the ruin they have caused directly and indirectly over the whole world.

Now, since 1900, the only ruling factors over the prices, both of cane and beet, have been the operations of international "bulls and bears."

I will instance and give the names of the principal actors. It will be noticed they are generally of French origin. For, it is interesting to point out, that since the German anti-gambling Bourse law came into operation, (although this law does not include this commodity) the leading European actors in gambling operations in beet-sugar, who used to be the German Jews, are now principally the French, English and Belgian gamblers.

The names of Norman, Brabant, Jaluzot, Cronier, and others stand most prominent; and it is these men's huge gambling operations on the "international" markets of France, England, Germany, and in other countries, which have dominated prices, year in, year out, all over the world.

It is needless to say, whether "bulls" or "bears"; the inevitable result has been losses and failures to all concerned, while during all such periods, the losses, direct and indirectly, to the world in general must run into tens of millions of pounds.

Now, I intend to treat specially the "corners" of 1904 and 1905, which resulted in a world's sugar crisis in the latter year, by the collapse of that year's "corner"—beet-sugar falling from about 17s. per cwt. to 12s. on the London and Liverpool exchanges.

The two men answerable for this ruinous state of affairs, are Cronier and Jaluzot.

I will first take the case of Cronier, President of the Board of Administration of the Say Refinery and other foreign sugar industries, otherwise called the "Sugar King." He was reputed to be enormously rich and had been engaged in sugar gambling for years. His financial position was so great that his credit on the world's bourses was never doubted.

In 1902, in conjunction with Jaluzot, he was prosecuted by the State for an attempt to "corner" a public commodity—sugar—which in France is a penal offence, as it ought to be in every Christian country, whether it be sugar or any other raw commodity. This prosecution failed. In 1904, he was proceeded against for defrauding the Inland Revenue, in connection with sugar gambling, and fines amounting to £120,000 were imposed.

His total liabilities on his failure, were put down at £4,000,000. And the results of his collapse, were a panic on the "world's" sugar bourses with many failures, gigantic losses to those who had acted as his co-agents, in Paris, London, Hamburg, Antwerp, and other places, as well as to many French banks, ruin to various refineries, heavy

losses to certain railway companies who had discounted Cronier's bills, a semi-panic in the European stock exchanges, and a heavy fall in the price of all sugars on the world's exchanges.

And the end of this man was, as in the case of many others, suicide, in order to escape the results of the many swindles and robberies committed by him in connection with his gambling operations.

I now come to Jaluzot, Deputy and Member of Parliament, owner of many newspapers, a man of immense wealth and principal owner of the "Printemps Emporium," and, like Cronier, a would-be philanthropist.

This man had been a leading "bull" or "bear" for years; sometimes against Cronier and others, and sometimes with them, in the gigantic operations. It is since 1900 that he commenced what I may term his mad gamble, and his collapse is solely the result of a long "bull and bear" struggle.

In that year, he was a "bull" and partly achieved his corner; and on July 31st, he owned, it is stated, 81 per cent. of the entire stocks of sugar in France. In consequence the Waldeck-Rousseau Government commenced judicial proceedings against him. The prosecution failed.

Similar operations were commenced by him in September, 1904. It is alleged, that in order to help him, misleading sugar statistics were published, and various other swindling manœuvres resorted to. Prices went up by leaps and bounds, and by January, 1905, prices had risen in France 16s. per sack, or to 46 francs, while his holdings of contracts,

representing "fictitious" sugar, was estimated at 3,000,000 sacks, or equal to more than half the annual output of the whole of France.

The "bears" here saw their opportunity. They commenced their attack, and a "bull and bear" warfare was the result. The "bears" won, as was the case with Cronier, and he, like Cronier succumbed and failed in August, while the price of beet-sugar fell in a state of panic to 28 francs. His liabilities were stated to be many millions of pounds.

And the result was ruin to many sugar-refiners of which he was the head, another semi-panic on the stock and produce exchanges, the failure of the Printemps Stores, a partial ruin to the depositors of this institution and to the Savings Bank connected with it, a paralysis of trade in connection with the sugar and other manufacturers, and further numerous failures on many exchanges, not to mention the absolute ruin to many of the industrial classes; while the price of sugar again fell heavily all over the world, beet-sugar falling to 8s. per cwt. in London, and cane-sugar in sympathy to a corresponding low value. The result on Jaluzot¹ himself was, that he was virtually under arrest for many months, by order of the Government, for the various defalcations he was said to have committed.

Now, who were the "bears" that ruined these men, especially Jaluzot? Why the Jews. Jaluzot was a well-known anti-Semite. His newspapers attacked the Government and the Jews. And the result was, a deliberate "bear" campaign by Jewish operators

¹ See Appendix, Note 16.

against Jaluzot in particular, with the result as stated.

The intervention of the French Government was not, as in previous years, instituted against this man for "cornering" sugar, but principally on account of the failure of the Savings Bank in connection with the Printemps, and the large number of people who had been deprived of their hard-earned savings.

It is stated, on the best authority, that behind this man were several men of the highest official positions in France, and that it was from the fear of incriminating these men, and thus causing another "Dreyfus" scandal, that the Government refrained from prosecuting him for these gambling corner-operations in sugar, which is, I have already stated, a penal offence in France.

Let the world contemplate that, during the past two years, the world's sugar industry, as well as its prices, both of beet and of cane, have been dominated by such an unscrupulous set of men!! It again conclusively proves my general contentions about the basis of the "world's" trade being merely a gamble. It also corroborates my already expressed views, that by such swindling international "bull" and "bear" systems, the world's exchanges are simply turned into gambling-hells, and that all classes, from the world's producers to the world's consumers, must inevitably suffer, and that such a state of affairs is a disgrace upon Western civilisation, as well as upon those governments who allow them to continue.

And do not all these facts justify my former remarks with regard to France and to the French Government? Because, it is not as if the Government had only had this single example. It cannot forget the financial crisis about twenty-five years ago, when the Jews, through Lebaudy, a Protestant, and a member of the Stock Exchange, ruined the great Catholic Bank, "*The Union Générale*," by "bear " stock-exchange operations.

The principal reasons were, because this race was antagonistic to the Catholics, and because they were afraid of the power of this bank in opposition to Jewish finance, and because the directors of this bank were against the Government. The results were ruin to the aristocracy, Church, and to the priests, while the Directors were imprisoned. Also France cannot forget the ruin all over the world caused by the great copper and wool "corners " and the collapses in 1888 and in 1900 respectively, as well as many others.

Does France also forget the power of Jewish finance, in connection, some years ago, with the "Fashoda " incident, and the humiliating position it suffered in the eyes of the world, in consequence, as well as the "Bazaine," "Dreyfus " "Panama," and other scandals?

And the position of the Government during the past thirty years—that is, since France became a Republic—has been, that it has gradually fallen under the sway of the Jewish capitalists combined with that of the Bourse, with the late Baron Rothschild, Regent of the Bank of France, for

upwards of some twenty-five years, a position he held up to the day of his death in 1905.¹

To meet such scandals, both in the financial and commercial world, the Government has taken no decided prohibitive steps. It is true, in former years, it attempted to do so. In 1893 it passed the Bourse Taxation Bill. In 1895, in the Ministerial programme, notice was given of legislative measures to defend the agriculturists against international speculation. In 1896, it was proposed to alter the law of 1885, *re* gambling in agricultural products. In 1900, the "Wool-gambling Bill" was defeated by 135 votes. In 1904, it passed special legislative measures to prohibit "bear" gambling in Russian securities, with the object of protecting French investors.

But the net result in 1906 amounts to nothing with regard to absolute restrictive legislative measures to prohibit these international gambling systems, and thus to prevent a repetition of the ruin they cause throughout the world, whether it be in finance² or in commerce.

And surely these late sugar scandals ought to convince the Government, that some steps are absolutely necessary,³ not only for the sake of their own investors, agriculturists, manufacturers, and workpeople, but also in the interests of the world. For the Sugar *Kratch* of 1905, has caused all over

¹ See Appendix, Note 6.

² Latest object-lesson : see Appendix, Note 19.

³ Read the French Press on the Budget debate of March, 1906. Such words as "material, moral, and national bankruptcy" stand prominent.

the world ruin to all classes, whether it be the producers, users, workers, or consumers.

With regard to its dire results on Great Britain and its colonies, the losses caused by the sugar "corners" in 1904 and 1905, as well as by the collapses of same, have been enormous. They ruined *pro tem.* many British jam and other manufacturers, besides causing British sugar consumers to pay unnatural prices. For instance, it was estimated that at the height of the 1905 "corner," Great Britain was unnecessarily paying at the rate of £8,000,000 a year extra for its supply; while the collapse of the "corners" has again caused partial ruin to the West Indies and to other sugar-cane colonies, proving the absurdity of those, who at the time of the great rise, blamed the bounties or the Brussels Sugar Convention for it. Neither had anything to do, either with the rise or with the decline; and it is interesting to point out, that beet-sugar is now much lower than the average for the years before the Convention, this being the direct result of the collapse of the 1905 sugar "corner."

I am not going into the question as to the foolish arguments which appeared in the London Press in January, 1905, emanating from the West India Association and from the London sugar brokers, nor into those equally absurd ones put forth in the House on February 29th, 1905, on Mr. Kearley's Amendment *re* the Sugar Convention, from the Free Trade and Protectionist points of view.

Let any one read the arguments as expressed

then by all these parties in 1906, after the facts which have since come to light, and he will see the folly of one and all, and that it is neither Free Trade, Protection, the Sugar Bounties, nor the Convention that has had anything to do, either with the enormous advance or with the equally ruinous decline.

But, what I do intend to dwell upon briefly, are the arguments put forth by the members of the Government and by Mr. Chamberlain, both outside and in the House, relative to the great unnatural rise in prices, and I will prove that one and all were absolutely ignorant of all economic factors which had led up to it.

Not one man dwelt on the true and only cause:—viz., the gigantic international gambling operations in “fictitious” beet-sugar, such as I have already given particulars of. Every other cause was assigned but the true one, and ignorance reigned supreme with one and all, while the ordinary member, who is conversant with these gambling systems, and their name is legion, kept silent for personal and selfish interests.

But, of all men who particularly distinguished themselves of this former class, was Mr. Chamberlain, the Protectionist, and one of the principal authors of the Convention. His speech, delivered in the House, on February 27th, 1905, reads like a fairy tale in 1906.

He said, “I am prepared to defend the Convention against all comers. The increase in the price of sugar was beyond human control, it was due to the

catastrophe of drought which caused a shortage in the crop." He demonstrated that fluctuations in the price of sugar formerly were due to the bounties. The Convention prevented such unnatural fluctuations. What fluctuations there might be now were due to natural causes, for which no government was responsible, and so on. And to back his argument up about the former great advances, prior to the Convention, "he quoted the year 1889, when sugar rose from 11s. to 28s. 3d., a rise, as he pointed out, of 17s. 3d. in a single year."

He thereby again showed his ignorance, for it was in that year, as is well known, that the German Magdeburg gamblers, Rossner, Schraube, Bauman, and Magnet, engineered, by "options" and "futures," one of the greatest international "corners" ever known; and most strenuous efforts had to be taken by the German Government and the Bourse, to save a huge financial panic, such as has happened in France in 1905.

All these unnatural fluctuations, caused by "bulls" and "bears," only demonstrate the truth of what Mr. Chamberlain pointed out at the end of his speech concerning Cobden's Free Trade. He said, "it was Cobden's desire to secure all commodities at their natural prices."

Exactly so. And if Cobden could only speak for himself to-day, he would say to Mr. Chamberlain, that the question of Free Imports as based on his honest Free Trade principles, such as he intended, had been turned topsy-turvy by the introduction of these 'international' gambling systems

in 'fictitious' products, and that under them, there can never be any more natural prices, so long as the British Government permit them to continue and allow them to dominate the prices of the 'actual' world's commodities.

Now, in the failures of Cronier and Jaluzot, and when the sugar panic all over the world had been apparent for months to every man, Mr. Field, M.P., asked the President of the Board of Trade, in August, 1905, the following important question in the House and elicited the following childish answer, which speaks for itself. It will prove the utter neglect on behalf of this Board of all matters concerning the international causes for ruin to British and Colonial industries.

Question. "To ask the President of the Board of Trade, whether he has any information respecting the 'corner' in sugar operated in Paris and resulting in loss and dislocation of trade: and whether he will enter into communication with the French Minister of Commerce with a view to promote international preventive legislation?"

Answer. "I have seen reports to the effect that a large operator in sugar on the Paris market has been unable to meet his engagements. The answer to the last part of the question is in the negative."

But, the President of this Board, like the other members of the Government, cannot be entirely blamed for such ignorance. For they, like Mr. Chamberlain, have had little or no practical experience in the world's trade, and are solely dependent

for information from others, perhaps, even those interested parties.

For example, Mr. Chamberlain, in his Protectionist speech at Cardiff, in November, 1903, said, "that he had been out of business for upwards of thirty years," thereby practically admitting, that he was entirely ignorant of the methods and bases upon which modern trade is conducted in the twentieth century.¹

Under these circumstances, is it not astounding that such men as Mr. Chamberlain, and Mr. Chaplin, should put themselves forward and be accepted as "National Family Doctors," and attempt to find remedies to cure the causes for the decay of British trade and agriculture? Surely, both will admit that no man can be "Doctor of all Trades," and this being so, is there any wonder that they have fallen into the snares of the "capitalistic red-herring," in the shape of Protection? It is only one more example to prove that the nation has gone mad, loving shams and hating realities.

In order to substantiate my general views about sugar in connection with the questions of bounties and prices, I give below a copy of a letter I wrote to the President of the Brussels Sugar Convention five years ago.

The same will prove the truth of my prognostications concerning the sole causes for regulating the "future" values of this world's commodity, as well

¹ Read Mr. Balfour's speech on "Theory and Practice," before the School of Economics, on February 25th, 1906.

as showing the absurdity of the suppositions that any sugar convention, bounties or no bounties, Free Trade or Protection, in face of these "international gambling systems," can to any extent whatsoever determine the prices, whether of beet or of cane. It is as follows :—

Copy.

"THE INTERNATIONAL SUGAR CONFERENCE.

18th December, 1901.

"To His Excellency The COUNT DE SMET DE NAEYER,
President of the International Sugar Conference, Brussels.

"SIR,—May I be permitted to pen your Excellency a few lines on the question of Sugar from a point of view I have been daily interested in during the past twenty-five years all over the world, and one which I have brought before all Governments during the past ten years.

"It is the question of 'international' gambling in 'option and future' paper-contracts (or *marché à terme*), as carried on in beet-sugar on the Continent and in Great Britain; the result of which is unnatural depression in prices in nine years out of ten ('corner' years excepted), resulting in ruin to producers and to legitimate traders and speculators.

"Now, whereas this gambling in 'fictitious' contracts only applies itself to beetroot sugar, the natural consequence is that, as the prices of beet-sugar decline, so do those of cane in sympathy.

"Consequently, ruin comes first upon the cane

producers, as such sugar is grown in non-bounty countries, while the producers of beet are only kept 'alive' by the bounties being increased as prices decline.

"This bounty, it is true, keeps Continental producers on the land, but at the expense of the sugar-eaters and taxpayers. Hence, this latter tax must soon become a curse upon the 'majority' in the various Continental nations, who are forced to increase these bounties.

"The bounty system (both direct and indirect) has therefore become a 'war' and a curse upon the whole world, while, as far as Continental nations are concerned, both the bounties and the Kartell systems have become an 'artificial' remedy to save their producers and manufacturers.

"Also, at the same time, both have become an 'artificial' cause of ruin to Great Britain's sugar refiners, as well as to its West India and other countries' cane-sugar colonies.

"The whole of the bounty and Kartell systems carried to an extreme, as they are now, are totally 'artificial,' and caused solely and only by the constantly decreasing values in beet sugar, which in its turn also forces down the value of cane; to the absolute ruin of all countries.

"And these constantly decreasing prices are principally brought about by the 'international' gambling in beetroot 'future' contracts, 90 per cent. of which merely represent non-existing sugar.

"In plain language, the international 'bear' operator is the curse of all. He is omnipotent over

prices, and in the majority of years must win ; the only exception being in 'corner' years, when the advance in prices, due to the great capitalists, is equally as unnatural as the declines, while the inevitable after-result of all 'corners' is heavy, ruinous, and unwarrantable declines.

" Thus, the price-advances and declines are both unnatural, while the question of bounties or non-bounties as the world's remedy is also only artificial.

" For Continental nations alone to abolish bounties, without insisting that all other nations do prohibit international 'bear' operations, would do no good. It would not raise values. If the former was done and the latter left undone, it would, and could, only end in absolute 'suicide' to Continental sugar countries and to their producers.

" Continental nations, who are determined to protect their producers and manufacturers, as well as their land from going out of cultivation, must increase both their bounties and Kartell systems as prices decline. Great Britain and its sugar-growing colonies, who have no bounty or Kartell systems, go to the wall first. The former will follow in time, when these bounties become and are acknowledged to be a ruinous 'tax' on their people, and have in consequence to be qualified or abolished.

" This time is not far off in my opinion, for *under these international gambling systems there is no bottom price to any commodity. I have held and acted upon this principle for over twenty years.*

" Trade and finance are now 'international.' The gambling contracts referred to are also inter-

national. The ruin caused by them is also international, and spread over the world, and applicable to all commodities. Hence the 'World's Remedy' must also be international.

"There is not a leading nation (except Great Britain—even down to Greece and the gambling in raisins in Corinth) where legislation has not been either carried into law or proposed on this question, since I first brought it forward some ten years ago."

"And, until it is recognised by all governments and by all countries as an 'international' question of the first magnitude and as *The Remedy*, nothing can prevent ruin first to one nation or colony, and by degrees to all.

"Wheat, cereals, flour, sugar, wool, cotton, coffee, tea, silk, provisions, etc., have all come under these pernicious commercial systems. I, as well as other experts, have proved by figures, years, and prices, that over-production is not the cause for the late record low values, but that it is only since these international systems were introduced that the 'bear' operator has been omnipotent over values.

"This also refers to all metals—silver, copper, iron, and tin. The present collapse in the three last commodities has led to an industrial crisis all over Europe, as is well known and acknowledged; while the collapse in silver in 1890 led to a commercial and financial crisis all over the world.

"It is a 'world's' question, and one which all governments as well as all international congresses or conferences cannot ignore, if they wish to get at the 'root' cause of the world's economic ruin.

“ Take the price of beet-sugar ‘ option gambling ’ contracts in London and Liverpool to-day. Price under 7s. per cwt.—the lowest ever known. This price dictates the values, not only to a very large extent of those all over the world, but absolutely so the prices of every pound of surplus sugar which is exported. What result can such a price have upon the producers of beet as well as of cane? Why, absolute ruin to the latter and ruin to the former if there were no bounties.

“ Various members of Parliament, as well as myself, have brought these questions a hundred times before the British Government and Parliament. If the British Government still chooses to look on and witness, first, its greatest and national industry ruined (agriculture and the land go out of cultivation), then in turn its grain, cotton, sugar, and other trades as well as its Colonies ruined by artificial ‘ price depressions,’ or by ‘ corners,’ say by price-advances, the Government must take the whole responsibility. It lies solely with the members thereof.

“ Consequently the only direct interest his Majesty’s Government can have in the question of either the direct or indirect abolition of sugar bounties is a *selfish* one. I bring this forcibly before you, sir, without fear of contradiction.

“ For if his Majesty’s Government had any *bonâ fide* intention to join in a ‘ World’s ’ Conference, to do good to a world’s industry, they must join with Continental and other governments in probing the real ‘ root ’ of the cancer which is ruining the world’s sugar and other industries, and apply

themselves to the 'international' question of the gambling in and especially the 'bear' operations of 'fictitious' commodities.

"With special regard to the question of 'sugar,' the writer honestly and openly stated at the 'International' Congress in Budapest in 1896 that it was he himself who, in about the year 1887, got the credit for forcing the price of beet-sugar down from 20s. to the then unheard-of price of 10s. by 'bear' operations.

"He also gave full particulars at the time through the British Press, besides informing the Colonial Minister (Mr. Chamberlain), and other members of his Majesty's Government, of all facts.

"He also gave full particulars to the Russian official delegate at the above congress. This official said: 'Every particular you give me is correct.' Yet, the syndicate in which he was interested *never* owned a pound of beet-sugar during that year, *and the bounty question had absolutely nothing to do with the then heavy decline.*

"That year also witnessed the *first* cause of ruin to the West Indian Colonies; also ruin to many of our sugar-refiners. Yet his Majesty's Government has done nothing on this question.

"Since these years the 'bear' operator in beet-sugar has been omnipotent, except during short periods, when, as you will well know, 'corners' and manipulations were engineered for a *temporary* advance in prices—to be followed by a panic and heavy fall in values—the inevitable result of all 'corners'.

“At the present moment such commodities as sugar, wool, &c., stand out prominently as the greatest examples of ‘bear’ campaigns, with record low prices in consequence.

“With regard to wool, I can draw your Excellency’s attention to the French Government Bill of 1900. I can also draw special attention to the ‘international’ petition to the German, French, and Belgian Governments, in 1895, on behalf of the German-Austrian-Russian and Swiss Union of Woolspinners.

“May I humbly submit, sir, that an ‘international commission’ of a similar nature of all countries interested in cane and beet sugars be appointed. Then, and only then, will the whole truth come out with evidence taken *on oath*.

“The result will be, that it would be proved that these ‘international’ systems are the direct cause of ruin, and, further, that the prices of all the leading world’s commodities are solely governed by ‘bear’ and ‘bull’ gambling operations in ‘fictitious’ products, and not by the laws of the world’s supply and demand.

“I may add, sir, that I have had the honour of having had my writings and publications on this ‘international’ question forwarded to all Continental and other governments (your own included), besides visiting most of the leading capitals of such to advocate it.

“I shall be happy to supply further information on the question. And should you deem this short statement of sufficient importance to place before

the various delegates at your conference, I shall esteem it an honour on my behalf.

“I enclose you a list of my various publications since 1891 on this important subject for your perusal. I do so, as it will show you the deep interest I take in the economic questions at issue in connection with the ruin of the world's agriculture, trade, and finance.

(Signed) “CHARLES W. SMITH.”

THE AMERICAN AND CANADIAN WHEAT "CORNERS" IN 1904 AND 1905.

THERE have been many "corners" in wheat, maize, and other cereals in past years in the United States, both of a national and of an international character, but perhaps the wheat corners in 1904 and 1905 stand unparalleled for their audacity.

It was in November, 1903, that Armour and the "Elevator" interests commenced the "corner" which collapsed in May, 1904. The price of wheat rose from 85 cents to 124 cents, and on the collapse of the corner the price declined to 89 cents, ending, as in the cotton and sugar corners, with a commercial and financial crisis, ruin to many speculators and others, and semi-panics on the American and English Stock Exchanges.

No sooner was this over than Armour and others again began to engineer further corners in wheat and in maize. The price of wheat, which then stood at 89 cents, ran up to 117 cents, and after the collapse, in February, 1905,¹ the price fell to 78 cents. The maize corner was effected by Bartlett, Frazier & Patten, who worked the famous "corner" in oats in 1902. In May they forced the price of maize up to nearly 3s. per bushel.

¹ From this date up to March, 1906, the "world's" grain prices have been dominated by the "bears."

Now, to give an example of the dimensions of this latter wheat corner, it was stated that those who were engineering it held in Chicago twenty million bushels of fictitious wheat on "future" contracts, although the entire stock of contract wheat (that is, which is suitable for "tendering" purposes) was below two million bushels, while the capitalists who were at the head of affairs comprised the Elevator interests, the Steel interests, and the Railway interests.

As stated, prices rose by leaps and bounds, and a battle royal took place between the "bulls and bears."

The whole struggle was in "future" contracts without any relation between supply and demand, and the most disgraceful manœuvres were employed on both sides to win.

The "bears," as usual, eventually won, and one of the greatest panics ever known took place in the grain exchanges, the financial results of which were even more serious, both in the United States and in Great Britain, than the collapse of the 1904 corner. Many influential men were ruined, and some of the most prominent in American banking circles were imprisoned for defalcations, committed in order to settle their "gambling" grain debts.

Now, these "corners" were not of an "international" character, like the Leiter and other previous ones.

They were confined to the United States and to Canada. But their effect was, more or less, felt throughout Europe. For examples: in the

collapse of the 1905 "corner" English wheat fell in sympathy in one week 5s. a quarter, and during the 1904 "corner" English wheat advanced sympathetically several shillings.

The result, however, of both "corners" was disastrous to Great Britain. They would have been more so, had not other countries, like Russia, India, and River Plate districts, fortunately come to the rescue with increased exports.

But the direct effect of the "corners" was the unnaturally high prices ruling in the United States, which were 5s. to 7s. per quarter over the parity as ruling in England; Great Britain was deprived of supplies from its usual channels, and became practically dependent for its bread from the above-named three countries. Such a state of affairs was solely due to the gambling operations by "bulls and bears," as carried on on the produce exchanges in the United States in food stuffs. Operations, I may point out, which would never be tolerated even in Wall Street!!!

And this in time of peace! Let me ask my readers what would have been the position of Great Britain in time of war, should these "corners" have been of an "international" character, as they will be, and taking into consideration the basis of importing and exporting foreign foodstuffs and other raw materials as already explained—viz., on the basis of a "bear" sale in "options" or "futures," representing "fictitious" commodities?

Why, instead of thirteen millions of people

being on the verge of starvation,¹ we should have this number increased to twenty-five millions, accompanied by bread riots, revolution, and disorganisation *à la* St. Petersburg.

Now of all the material blessings of this earth, bread is for man the most indispensable. No one can deny this. Christendom has sanctified it. And this bread, in the shape of foodstuffs, has been converted by "fictitious" dealings in "futures" into a "gambling counter," and this in order to establish on the exchanges of the world a "Monte Carlo without the music," at which the great international capitalists preside and hold the banks.

Surely all men will admit that this is an abuse of bread directly antagonistic to the spirit of Christianity, and, in consequence, it must be forbidden in all Christian States?

But such so-called Christian Governments, like Great Britain, the United States, France, and others, think otherwise,—shame be it to say.

They allow these "bull and bear" operations, as I have shown, to exist, not only in the breadstuffs of the world, but also in all other raw materials. And, apparently, it matters little to them, whether their agriculturists, manufacturers, or consumers suffer. All bow down to the capitalists and to their respective bourses, and the hundreds of millions of the world's inhabitants can apparently perish, so far as they care or are concerned.

And this in the height of Western civilisation in the twentieth century!

¹ See Appendix, Note 13.

If only such governments would grasp that, by passing preventive "international" legislative measures against these systems, they would be doing far more real good in the world than by any so-called *ententes cordiales*; for, as I have already pointed out, the basis of an honest "international" trade in the present day is a far more potent factor in establishing good relations between nations than any *ententes* or other high-sounding names.

In May, 1905, Mr. Field, M.P., asked the President of the Board of Trade the following question: "Whether he has any official information showing that the reduction in imports of wheat and flour from the United States and Canada to the United Kingdom for 1904 in comparison with the previous years, can be traced to the artificial high prices ruling in the United States due to the wheat corners in that country owing to the 'option and future' gambling systems prevailing during 1904: and whether, in view of the influence of such gambling operations in regard to food supplies upon honest trading and the cost of food, he will communicate with the President of the United States, suggesting an International Conference upon the matter?"

The President's answer, as usual, "was in the negative to both the points raised in the hon. member's question."

With regard to the wheat corner in Canada, it is one of the first attempts which has been raised on a large scale in that country. It took place in the early months of 1905 on the Winnipeg Exchange.

The idea was to corner the autumn months, and the "cornerers" were the Ogilvie Flour Mills Company. It was successful, and July "options" were run up to 137 cents.

It brought about demoralisation in the grain trade, and ended in disaster to many operators. With the hope of smashing the "corner," many members of the exchange, who had sold their actual wheat at Portland (U.S.A.) for export, and sold "futures" as a "hedge" in Winnipeg, rushed the grain back to Winnipeg in order to flood the market with actual grain. And to show the feeling against these men, injunctions were taken out against them, while the "bears" raised the question of the illegality of such transactions and applied to the Courts against settling their "gambling" differences.

Now, it is important to point out, with reference to the latter phase, that the Canadian Government, when the American speculators threatened some years ago to transfer their gambling operations into Canada, owing to the fact that it was considered a certainty that the then United States Government's Anti-Option Bill in agricultural products would become law, passed its Criminal Code Act of 1892, which came into operation in March, 1893, prohibiting "gambling in prices," both in stocks and merchandise.

It reads as follows: "Let all such gambling transactions in stocks or merchandise be treated as an indictable offence and liable to five years' imprisonment and to a fine of five hundred dollars."

And according to the British Government's Blue-

book respecting "Foreign Legislation in 'Option and Future' Contracts as regards Foodstuffs," and presented to both Houses of Parliament in 1904, it is stated with regard to Canada, "that no prosecutions so far have ever been instituted under the sections 201 and 202 of the Criminal Code of the Dominion."

The verdict of the Courts with regard to the illegality of these gambling transactions, I know not.

But Mr. Field, M.P., with the object of drawing the attention of the British Government to Canada's Criminal Code in connection with the corner, asked the President of the Board of Trade in the House the following question—viz., "Whether his attention had been drawn to the corner being operated in Canadian wheat, and whether he will inquire of the Canadian Government why the restrictive legislation against gambling in 'options' in food products has not been recently enforced?"

The answer was, "I have seen reports to the effect that a Canadian milling company has made large purchases of high-grade wheat, which the sellers are unable to deliver. I do not propose to address any inquiry to the Canadian Government in the matter."

Thus the most important of all questions that Great Britain has to face—viz.: its food supplies from such an important country as the United States and from the British colony, Canada, is shelved and treated as beneath the dignity of the British Government!

Now what was the origin of this corner? It

was a battle royal between American and Canadian gamblers, to obtain the control of the high-grade Manitoba wheat, not for flour-milling purposes, but in order that, by buying up more of this "high-grade" wheat than the sellers could deliver, as per the terms of the "option" contract, they could "corner" all those, including the Americans, who had sold "short" and who consequently were the "bears."

In fact, it was a gamble in "futures," quite irrespective of supply and demand, and the sole object was to make money by such pernicious transactions, on the same principle as Armour's "wheat" corner, as Cronier's and Jaluzot's "sugar" corners, as Sully's "cotton" corners, and so on. And above all, it was carried on, quite irrespective of its effect on Great Britain's food supplies or of the world's grain trade. Such were secondary considerations in the minds of those operators who engineered this great corner.

For, with the prices of American wheat forced up unnaturally to 120 cents, as well as Canadian wheat raised artificially to the price of 137 cents, that is to say, to prices many shillings per quarter over the parity as ruling in Great Britain, it was impossible to export or import these cereals to that country. Hence, during 1904 and 1905 Great Britain was virtually deprived of its foodstuffs from these two most important grain-growing centres.

And the result on Great Britain in the future may be most disastrous. For Canada, with the majority of its population non-British, and united as it is with the United States in the closest

relations of commercial and material interests, if it continues to be dominated by their wheat gamblers as well as by their capitalistic "Elevators'" interests, will probably be only nominally a portion of the British Empire, and possibly not even that for any long period.

Besides, such gambling actions as carried on in Canada, which speak louder than the mere political words of its Ministers, conclusively prove that "our brothers across the seas" do not care one jot about Great Britain and its food-supplies, indicating as they do, instead of wishing to draw closer to the "mother country," and that Great Britain should draw closer to them, all they care for, like the rest of the world, is gold, no matter how that is obtained, or at whose expense, so long as they do so.

And this leads me to ask Mr. Chamberlain and his supporters what on earth have the questions of Free Trade or Protection to do with these unnatural wheat prices ruling in the United States and in Canada? And how can any colonial preference, in the shape of a small direct tax on foreign cereals, in face of such a state of economical rottenness, be a remedy to ensure Great Britain obtaining its future supplies of foodstuffs either from Canada or from any other foreign country, so long as the British Government countenances these gambling operations? For such unnatural prices amount, as I have already stated, to an indirect tax upon the working and industrial classes, and are nothing more nor less than blackmail upon one and all of the very worst kind.

Adopting Mr. Chamberlain's own argument, that a tax of 2s. a quarter means a farthing on the quartern loaf, such unnatural prices, solely due to "corners," must amount respectively, say, to a tax of from 1*d.* to 3*d.* on the same loaf, according to the duration and magnitude of the corners.

For example, Leiter's "international" wheat corner in 1897-98 unnaturally raised the price of the poor man's loaf in various parts of the world, from 1½*d.* to 3*d.*, besides causing the working man in some continental countries his blood.

It is the same with all commodities that are "cornered." It is the working classes that have to pay. And these are solid facts which Mr. Chamberlain dare not, or will not, understand, as well as the unnatural causes which lead up either to these unnaturally high or unnaturally low prices. For both are "artificial," and the direct outcome of these "bull and bear" systems.

With regard to these low prices, Mr. Chamberlain does not seem to grasp the fact that, if by any "unnatural" systems of trading the prices of any commodity be forced down to an "unnatural" level, which is below the cost of production, the value of the farmer's and labourer's most important raw material, viz., the Land, which grows that produce must also decline as well as gradually go out of cultivation; and further, that this must in itself affect the labourers and the working classes, as well as all those dependent upon the soil.

For example, I can instance British agricultural lands, the British West Indian sugar colonies, and

the attempt, many years ago, to grow cotton in many parts of the world, because, after the American Civil War, American cotton stood at the unnatural price of from 12*d.* to 20*d.* per lb.

But when the price of English wheat began to gradually fall from 40*s.* to 17*s.* 6*d.* per quarter by 1894, and when sugar fell heavily, about 1887, and when American cotton declined to the region of 3*d.* to 5*d.* per lb., the result in all these countries was magic—land ran out of cultivation, industries were practically ruined, and labour became disorganised. The same has been the case with wool since 1900, owing to its unnaturally low price. In the words of the agricultural papers, there has almost been a “famine” in sheep.

Now, Mr. Chamberlain, in his speech in the House on February 27th, 1905, on the sugar question, and in respect to the unnaturally high prices ruling for that commodity, said :

“We are discussing a phenomenon, namely, a very great and sudden rise in an article of general consumption. That is a thing which is continually happening in every trade which depends in any way upon a production which in itself is subject to variations in climate. To most men a rise in sugar would appear to be a matter to be very much regretted, but at the same time not to be subject for Parliamentary discussion. This happens every day in all sorts of trades. Think for a moment of our own experience. Last year there was a tremendous rise in the price of cotton—a matter of infinitely more importance than this rise in sugar,

a matter paralysing a large portion of the biggest industry we have except agriculture. Was there any kind of political discussion during the whole course of the dearth of cotton? It was due to the same cause as the price of sugar. It was due to the diminution of the crop in America—the attempts of monopolists to control the crop. It is well known to everybody that in the last year the price of wheat has risen about 5s. a quarter by purely natural causes, and nobody speaks a word in reference to it. I say, in all these cases, and I might quote many more, the matter is treated as regrettable, but as due to causes which are beyond human control.”

Now, what do these words imply? That Mr. Chamberlain has absolutely refused to learn the truth about the unnatural causes which have led up to these various rises in price. They also corroborate my views that the Government and Parliament have, by refusing to have any Parliamentary discussion on the question of gambling in “options and futures,” the sole cause for one and all of these rises or declines, boycotted¹ the subject, and thereby deprived the nation of the knowledge of the truth, as to the causes which are ruining, not only British agriculture, but also its cotton, sugar, and other most important home and colonial industries.

For I have proved that “Cobden’s” honest Free Trade principles have had nothing to do with the ruin of all the great industries, as mentioned by Mr. Chamberlain.

I have further proved by actual facts, that it is

¹ See Appendix, Note 19.

the "international" systems of gambling in "options and futures," which are the sole causes. And under these circumstances, no man can call this subject by the name of a phenomenon, for the causes are obvious to any honest man.

I hereby challenge Mr. Chamberlain, or the Balfour Government, to controvert them or to disprove any facts I have stated.

And of all the sufferers under these unnatural and great rises in prices in the prime necessities of life, no one has suffered, directly or indirectly, more than the poor and the working classes.¹

Consequently, it is mere cant for Mr. Chamberlain to stand as their champion, in order to catch their votes at the coming general election² in 1906, and to support his remedies in the shape of protection, retaliation, and preference—which means the absolute ruin of Great Britain and its colonies—to make his headlines of policy, such as he has lately done, "More work for the people of this country and a closer union between the different parts of the Empire."

The fact is, Great Britain has been deceived for years with "red-herrings," as to the economic causes for the decay of British agriculture and trade. From 1880 to 1890, we had the "mono-metallist" red-herring. From 1890 to 1898, we had the "Bimetallic" red-herring. And now, we have the "Protectionist" red-herring, as put forth by the "capitalist" interests, in order to drown the real truth for the causes, which lies in the international subjects I have been exposing for many years.

¹ See Mr. Balfour's views, p. 297.

² See Appendix, Note 17: Result of General Election.

THE BRITISH PIG-IRON "CRISIS" IN 1905.

METALS, whether pig-iron, copper, or tin, have, for the last thirty years, and silver during the past eighteen years, been subject to "bull and bear" warfares, through gambling operations in "warrants" or in "options." As a rule the "bears" have generally won. But in many previous years international "corners" have been created with most disastrous consequences to the world's trade.

I have referred to these in my past books. And, as I have already stated, the Associated Chambers of Commerce of the United Kingdom prepared an Anti-Gambling Pig-iron Bill in 1891, the result of ruin to the trade in previous years by such gambling, and the same was introduced into the House by the three great ironmasters of the day—viz., Messrs. Hickman, Hingley, and Ainsworth, M.P.'s, but the Bill was squashed by inside and outside interests.

With regard to the "international" metal "corners" in 1900 and in 1901, I will quote the official words of the Russian Government in the proposed State regulation of prices in connection therewith. What was said then was applicable to all countries affected thereby.

The words were: "They have brought about an industrial and commercial crisis all over the world—the latter led astray by the 'artificial' high prices ruling and innocently imagining that they

were to go on for ever. This artificial basis enabled capitalists to organise factories, mills, and enterprises of every kind, increase production to absurd limits, and as a rule never taking into account the local conditions of their various markets. Hence, when the financial smash came, the result was that the supply and demand theory was upset, and the gigantic fall in prices has been the means of ruining many of the enterprises and causing financial ruin to all engaged. Also the result on the labourers and artificers has been the throwing them out of work."

History will repeat itself, sooner or later, in the present "corners" or manipulations in tin and copper,¹ the prices of which have been respectively forced up at the time of writing to £163 and £80 per ton, the result of which will also be a decline, with heavy losses, in those industrial shares, which are closely allied with the commodities so "cornered." And depression in one leading industry reacts upon another, until all will be more or less seriously affected.

With regard to the British crisis in pig-iron in 1905, it arose out of a "bull and bear" warfare, and originated in October, 1904, between Middlesbrough and Glasgow capitalists in Cleveland warrants; just as the crisis in about 1895 did, when the London house of Sassoons cornered the then Glasgow "bears." In the 1905 crisis, Middlesbrough were the "bulls" and Glasgow again the "bears," and a "corner" was the result in May last.

¹ Read the English Press of March, 1906, on losses caused thereby to these two industries in Birmingham, the Midlands, and South Wales.

The results in prices were that they gradually rose from 43s. per ton to 55s., and after the collapse of the "corner," they declined, in a state of panic, to 45s.

The *Standard* of May 1st, 1905, that is before collapse of the "corner" took place on the 19th, in its financial article, wrote as follows. It will show the utter rotten state of affairs, the serious influences on trade in general by this gamble, as well as the causes for the general demoralisation in this leading industry.

"Quite unusual interest is being aroused by the struggle in progress in the pig-iron warrant market, the final outcome of which even the usually best informed confess their inability to anticipate. Originally engineered by a few Scotch and Cleveland operators, the movement has kept the market on tenter hooks for some months, the belief, to all appearance, being that America would be forced to buy freely of European pig-iron, and that this would provide a convenient outlet when liquidation became desirable. The more conservative views, however, have justified themselves, for no American business in Cleveland foundry iron worth speaking about has been done; but the extravagant level upon which prices have been bolstered have had two serious influences. First, consumers of Cleveland iron could not afford to pay the fancy prices asked, and have bought other kinds of raw iron. Second, the abnormally profitable prices obtainable have spurred the Cleveland ironmaster to produce every ton of iron possible, putting all that he could not sell to the trade into store and marketing the warrants. Thus it is that, with the outlets of demand either partly choked or not realised, stocks have swollen at an alarming pace, say 180,000 tons, in three months, and are now on the fair way to 400,000 tons. One of the originators of the operation is asserted to have sold out, the others having acquired his interest and all the warrants they can secure beside, with the intention of waylaying those committed on the opposite side of the market. The question now seems to be, Is the market oversold to the extent which the

optimists imagine is the case? Unless most of the warrants which they hold are needed to balance over-sales, the near future may contain surprises. If they are needed, the relaxation of control must still involve a rapid relaxation of prices."

The prognostications of the writer of this article proved correct, for the corner ended in one of the worst panics ever experienced, with a fall in prices of 12s. a ton.

The results of this seven months' corner were demoralisation and to paralyse both the iron and steel industries. The world's consumers could not afford, during the range of the unnatural prices, to buy this iron. Stocks in the public warrant stores grew at the rate of over 4,000 tons per working day, and the total stored at the end of May reached the unprecedented total of 470,000 tons. That is five times what it was in the previous September, prior to the commencement of the corner. And no one engaged in the Cleveland iron trade had previously experienced such a state of ruinous affairs as those responsible for the gambling operations had brought about.

Now, Mr. Field, M.P., with his usual great interest in the welfare of his country's trade, asked the Secretary to the Board of Trade on May 23rd, 1905, the following question: "Whether he is aware that the action of certain capitalists of Middlesbrough has resulted in a corner in pig-iron, which is disorganising the iron and other dependent industries throughout the North of England; and, seeing that, under the same gambling systems, the late corners in cotton and other commodities were

operated, whether his Majesty's Government will consider the advisability of promoting legislation, in conjunction with other governments, to prevent these constant upheavals in trade?"

Mr. Bonar Law answered, "I am aware that the iron trade has recently been affected by a rise in the price of pig-iron, attributed to speculative purchases of Cleveland pig-iron warrants in anticipation of a demand by the United States. I understand, however, that this temporary rise of prices is now at an end. As regards the last part of the question, I am unable to add anything to the answers which have been given to similar questions by the honourable member."

Thus Mr. Field's heroic efforts, efforts of over ten years, to attempt by such important questions, to bring the solid truth before the Salisbury-Balfour Governments,¹ as to the direct causes for the curses and ruin to Britain's greatest industries due to these gambling systems have been frustrated.

No satisfactory answers have ever been given. All his questions have been skilfully evaded. Every official and government stratagem has been used to deceive, and as I said before, no one in high authority appears strong enough ever to speak the truth; while, with special regard to Mr. Bonar Law's answer, *re* the Pig-iron crisis, if only he himself or those of the Board of Trade, responsible to him for the reason given for the corner, had studied the question, they would have seen for themselves, that on the face of it it was a lie.

¹ See p. 297.

The true reason was, as in all other corners, to make money out of the gamble, by cornering the "bears," quite irrespective of the ruin they were causing to the British iron and steel industries.

For it was an acknowledged fact throughout England for months, previous to the collapse of the corner on May the 19th, that no American business in Cleveland iron, worth speaking about, was done, or could be done, owing to the gigantic unnatural prices this iron was forced to in comparison with other raw sorts, and that the same was being daily stored at the expense and risk of the "cornerers," simply because there was no demand for it, as *The Standard* rightly puts it, at "fancy" prices.

During the past few months, the "bull" operations have been transferred to Glasgow, and a most powerful "Iron Ring" has been formed there, with the object of again raising values unnaturally by the "cornering" process. The result so far, has been, again to advance the prices of Cleveland and Hematite "warrants" to 54s. and 72s. 6d.¹ respectively, while, *pro tem.*, the London and other "bears" have been routed.

Thus both the Middlesbrough and the Glasgow pig-iron "corners" in 1905, will be further powerful examples as to the cause of ruin to British industries for Mr. Chamberlain to mark, learn, and inwardly digest, *re* the question of "unnatural" prices, caused by these gambling British systems.

¹ March, 1906: "Bears" again victorious; prices 7s. to 9s. per ton lower.

LETTER TO THE RT. HON. J. CHAMBERLAIN, M.P., FROM THE AUTHOR.

Copy.

“ TO THE RT. HON. J. CHAMBERLAIN, M.P.

“ London, 12th May, 1905.

“ SIR,—On the 21st December, 1903, I wrote you an important letter from the ‘Free Trade and Protectionist’ points of view, on the questions of international gambling in ‘fictitious’ products, metals, and shares, *re* the principal economic cause of ruin to Great Britain’s Trade, Agriculture and Finance.

“ I afterwards embodied the said letter in a book I published early in 1904, under the title of ‘*Free Trade and Protection under the International Option and Future Systems*,’ and I had the pleasure of forwarding you a copy.

“ Since that date and in connection with the same systems, in the world’s most important commodities in which Great Britain and its Colonies are interested and dependent upon for their prosperity, we have had numerous object lessons, viz.: in wheat, iron, copper, tin, sugar, wool, cotton, hops, etc.

“ The direct results of all such gambling operations, have caused a paralysis of trade in the various

industries, as you will notice by the copy of *The Times* Supplement of the 8th inst., which I now enclose for your perusal. Other influential papers refer more fully to the dislocation of trade, and to the ruin caused thereby.

"I will not dwell upon fuller particulars as your Commission can investigate them.

"You will observe that since the Sugar 'corner' collapsed, beet-sugar has declined, in a state of panic, £4 to £5 per ton. American wheat, under similar circumstances, has fallen some 30 cents. One of the dire results of this latter corner which commenced in November, 1903 (see pages 75 and 76 of the book referred to), has been, that Great Britain has been virtually deprived of exports of wheat during 1904 and 1905, both from the United States and from Canada.

"The collapse of these corners also caused a semi-panic in American and leading British securities. The corner in pig-iron, owing to its unnaturally high price, has also, like that in the imports of cotton, sugar, and wheat, seriously interfered with the exports of iron. See the Board of Trade returns for 1904 and 1905.

"Now, one and all of these unnaturally high prices, as well as the 'panic' low prices, which took place after the collapse of the various corners, have been directly due to international "bull and bear" operations in 'fictitious' commodities, under the international 'option and future' systems.

"You will observe, therefore, that the question of our fiscal policy, in the shape of 'Cobden's'

Free Trade, has absolutely had nothing to do with the causes, either directly or indirectly. Consequently neither Protection nor Retaliation, as you propose, can be a remedy for same.

“The root cause of the evil of the decline in British trade and finance, lies in the international ‘Free Trade’ (*ad lib.*) of ‘options, futures and warrants.’

“In consequence, the forms of ‘Protection’ and of ‘Retaliation’ required, as the only sound Remedies, so that our honest commerce shall be protected and in order that no foreign capitalist can destroy it, must be, either government¹ or ‘international’ legislation to prohibit these ‘international’ gambling systems in ‘fictitious’ materials, and thus indirectly, the ‘international bear operator.’

“Year after year, I am able to produce, as you are aware, fresh evidence and to state new object-lessons of the truth of my views. Unless some steps are taken by the Government to prohibit these systems, the ruin of British Trade and Finance² is a certainty; just as in a similar manner, British Agriculture has become so since 1883.

“And the ruin of one and all, will be principally due to these pernicious international so-called trading ‘bull and bear’ systems in non-existing products, metals, and shares.

“I can again only earnestly hope, in the interests of Great Britain and of its Colonies, that both yourself and your ‘Protectionist’ Commission, will

¹ See Appendix, Note 2.

² See Appendix, Notes 3, 5, 19.

carefully investigate this most important world's question, especially in connection with the late and present crises, as referred to, and the dire results they have brought about, not only upon all legitimate traders and manufacturers, but also especially upon the working-classes.

(Signed) "CHARLES W. SMITH."

COBDEN'S VOICE FROM THE GRAVE IN 1906.

EVEN a small worm will turn! So would the great Cobden, if he could only rise from his grave, and be able to defend himself in 1906 against the false, misleading, and ignorant misrepresentations which have been placed upon the basis of his Free Trade Principles in 1846, not only by the late Government, the Houses, the Press, and by Mr. Chamberlain in particular, but also by the many thousands who have ventured to challenge his general views during the past two years.

For, I hold, that not one of these men have, in their various speeches or arguments, grasped the economic position of Great Britain, as then existing, under the ideas of Cobden's Free Trade principles, in comparison to the totally changed economic position of the last forty years, since these "international gambling systems" were introduced into Great Britain in 1862, and especially since they have affected cereals, in 1883.

Before I voice Cobden's views to prove this statement, I can recall the fact, that from the very first, I have brought these questions forward from the "Free Trade" point of view, and to demonstrate how the basis of his views has been turned topsyturvy, by the introduction of the "bear" operator in "fictitious" commodities.

For, when I was asked by the members of the "Royal Commission on Agricultural Depression" in 1893, to prepare a special written "statement" to support my general views, with regard to my subject and the ruin to British Agriculture, caused thereby, I did so, taking it from 1846 up to 1894, and in special connection with the basis of Cobden's Free Trade principles.

As I have stated, this most important document, under seventeen heads and sub-heads, proving by detailed statistical evidence the truth of my views, was "suppressed" by this Commission, headed by Sir Robert Giffen, while many members of both Houses on many occasions have appealed to the Government in vain, for a copy to be placed in the Houses for the benefit of its members.

And to prove the value of this evidence, I may state that at the request of certain leading members of the German Parliament, I published it in book form for their benefit in 1895, and the same was distributed by Count von Arnim to every member. The result of which was, as they afterwards informed me, that, as the fresh evidence produced, supported their own evidence in every detail, it materially helped the Government and the Houses to see the necessity of passing their Bourse Reform Bill, in 1896.¹

But in my own country this evidence was suppressed in 1893, just as my evidence before the "Royal Commission on Food Supplies in time of War," has been in 1905.

¹ See Appendix, Note 15.

I venture to assert the opinion, that, if this evidence had been placed before the British Houses of Parliament in 1893, and the subject had been well ventilated, instead of being suppressed, the country would never in 1906 have been turned into such a state of turmoil over the question of Free Trade *versus* Protection, and that no general election would ever have been fought out on such grave national issues.

The man solely answerable for this latter state of affairs, is Mr. Joseph Chamberlain, who has deluded the country by his erroneous deductions, and by his proposed false remedies, and who, at the same time, has shown his entire ignorance of the basis of trade from 1862 up to 1906, in comparison to that ruling in 1846.

One could not have a more powerful example of the blind leading the blind, except it be in the case of the General Election in 1900, when Mr. Chamberlain, as a member of the Balfour Government, went to the country on the false statement, "that the South African War was over" (?)

But, in the election of 1906, the extreme gravity of the position is even more untrustworthy. For, on the one hand, we have the originators of the Protectionist policies apparently in the dark themselves as to what their future intentions are,¹ and on the other hand, we have the electors, as a body, as blind as bats with regard to the exact basis of the

¹ The world now knows that Balfourism = Chamberlainism in 1906.

coming national issue—the greatest of all issues since Cobden's times.¹

Such a position is untenable and dangerous when it is taken into consideration that the Empire is at stake, and that the result of the election means life or death to the Empire and to the British race. It is the most powerful example to prove that the nation has gone mad, and loves shams and hates realities.

Now, to prove my statements, by a few brief facts, voicing Cobden's views from the grave in 1906.

Cobden would first point out that, although he was alive at the time when the repeal of the ancient British laws prohibiting gambling operations in agricultural products became an accomplished fact, and although the repeal of this Act took place the year or so before the repeal of the Corn Laws in 1846, he could never have believed, that so soon after his death in 1865, any British Government would ever have been mad enough to have allowed the re-introduction in 1866 of even far more ruinous forms of "international" gambling systems, under the names of "options, futures, and warrants."

He would further point out the remarkable fact, that, "while it was the 'Manchester school' who, in 1846, were the originators of the Free Trade policy, it was this very same school who first allowed these gambling 'capitalistic' free-trade systems to be introduced into cotton in 1876, Britain's second national industry."

And consequently Cobden would point out, "that

¹ See Appendix, Note 17, page 328.

Great Britain, situated as she has been the past twenty years, dependent for food supplies and other raw materials upon foreign nations, since these systems were introduced under them, has, by a form of 'indirect' taxation, been the greatest of all sufferers, because she has constituted a system of protection for foreign trade and workmen."

For by these "international" systems, in years of "corners," the manufacturers, users, and consumers have been "taxed," indirectly and unnaturally, by having to pay foreigners from 30 up to 100 per cent. extra cost for all raw materials, owing to the "unnatural" high prices ruling, as well as by the millions of pounds per annum they have had indirectly to pay to the "international" members of the world's exchanges, in the shape of commissions, earned by the "gambling transactions" in "fictitious" products; while, in years of "price-depressions," due to international "bear" operations, not only the land, but also the agriculturists and the labourers have been indirectly "taxed" by the enormous and "unnatural" fall in prices, against which there has been no economic "artificial" sets-off commensurate with that fall, such as has been the case in Protectionist countries.

The question of free imports, as based on his honest Free Trade principles, by which he meant it to be a free exchange between nations at the natural price of the products which are exchanged, as well as to secure all the world's commodities at their natural prices, has been entirely upset by the re-introduction of these international systems of

trading in "fictitious" commodities, and under them there can never be any more natural prices or a free exchange between nations at the natural prices of the goods which are exchanged so long as the British and other Governments allow them to dominate, not only the natural prices of the British "actual" raw materials, but also those of the world's.

And consequently, Cobden would ask Mr. Chamberlain, and the world in general, "How can any imports and exports, under these international systems, be considered 'free,' when all are 'hedged' or 'protected,' say, from forty up to one hundred times, from the periods when they leave the foreign growers' hands up to the time they reach those of the world's consumers, by 'bear' sales in 'future' contracts representing merely 'fictitious' commodities?"

He would also point out, that both British commerce and its agriculture flourished up to the period of the re-introduction, in 1862 by the Jews, into England of these systems in trade and finance; further, that British agricultural prices were not unnaturally affected until 1883, the year when these systems were introduced, of an "international" character, into England, in cereals.

For, from 1846 to 1874, notwithstanding the repeal of the Corn Laws, he would point out, the price of wheat, for example, still ruled on the average of fully 50s. per quarter, and nineteen years after the repeal of the Act, that is the year before he died, in 1865, he was able to state in

public, "there has hardly been a serious check to business, scarcely a necessity for an anxious day or night on the part of our manufacturing and trading populations."

And, he would say to Mr. Chamberlain, "You will not understand that, if by any 'unnatural' system of trading, the world's prices are unnaturally upset, all raw materials, from the land and the products it grows, must in consequence be affected, and that all classes, in the course of years, must necessarily suffer, such as they are doing in 1906, and especially so with regard to the workers."¹

He would further state the opinion, that, if these international systems had not been introduced throughout the world in 1862, the consequences of which have been to cause an unnatural fall in the "world's" prices, foreign nations would probably have followed Great Britain in its free-trade policy, and the world would not have witnessed these nations forced to adopt such artificial and unnatural remedies as protective duties, tariffs, Kartells, trusts, monopolies, subsidies, etc., in order to keep their producers on the soil and their manufacturers' heads above the "financial" water-line. In fact, he believes his prophecy, as to International Free Trade, would have become an accomplished fact, and that it was only these "international" gambling systems of trading that have upset his prognostications.

He would also point out to Mr. Chamberlain, that, if it had not been for his official visit to

¹ Cost of pauperism 1864 to 1905, £375,000,000. In 1864 it cost £6,423,000. In 1905, about 15,000,000.

the "Veldt" some years ago, he would never have come under the direct influence of the Jewish Randlords in South Africa, and that in consequence, the country would never have heard of the word "Protection." For, he would remind him of the fact, that some twenty years ago, no man in England expressed such general strong adverse views with regard to Protection as he did, especially in connection with the raising of the duties on "screws"¹ by the United States, and to the harm done thereby to the working classes.

He would also refer Mr. Chamberlain to the fact, that in other semi-free trade countries, like Holland and Denmark, where no gambling in cereals takes place, there is no such general decay in agriculture, such as there is in Great Britain.

Cobden would also point out to the members of the British Government that, if they had only studied the views of the older political economists on the general systems of "paper-currencies," they would have been able to grasp for themselves years ago the curses which are at present in vogue all over the world, under similar systems, but now called "options, futures, and warrants."

While Cobden would lastly refer Mr. Chamberlain to the economic facts, that, while his own propositions in 1906 must inevitably terminate in a commercial strife between nations and in tariff-wars—the deadliest of all wars—his propositions in 1846 were based on the assumption that, in future civilisation, wealth would not be the one aim of

¹ Mr. Chamberlain's original business.

man's existence, and that on the basis of universal and honest free trade he had hoped to bring about the Heaven-born message of 'Peace on earth and good-will amongst nations.'

He would also ask the following three simple questions to the world in general: "How can the basis of the 'international' trade and finance of the world, under such immoral conditions that exist in 1906, be considered just, upright, and secure? How can there be any fair or honest trade in the world, under these international 'bull and bear' systems of gambling in 'fictitious' raw materials, when there is no exchange of actual things? How can Great Britain and her Colonies expect to flourish, under such accursed international operations as 'options, futures, and warrants,' when these form the 'basis' both of imports as well as for exports from foreign countries?"

And finally, he would ask, "Where is it all to end?" For he would say, that he remembered the time when the British Constitution, to a man, upheld the old, old, words, of "Britons never shall be slaves."

All this has changed. From the highest in the land, those who ruled the country, all had become slaves, either to "Jewish gold," to the "almighty dollar," or to the "monopolists." And, judging by the facts, as stands apparent in 1906, whether it be applicable to religion, politics, trade, or finance, he would point out that the time has arrived to rescue the country, by the help of God, from the designs of its enemies.

He would say, that in order to carry this into effect, the cry in 1906 ought to be, God save Britain from its open enemies, in the shape of the Protectionists, the international gamblers, and the Papists, and from its secret foes, in the shape of the "capitalistic" press and Jewish and other international capitalists.

And he would finally prophesy, that, unless Great Britain does realise these stern facts and does carry them out in their entirety, the future result on the country can be summed up in the one word—"Perdition!"

THE RUSSO-JAPANESE WAR AND INTERNATIONAL CAPITALISTS.

I can imagine some of my ignorant readers asking the question, what on earth has the Russo-Japanese war to do with options and "futures," and how can the latter have played even a small part in that war?

Why exactly, but in a somewhat different manner, as they played the foremost part in the Jameson Raid, and thus indirectly in the South African war.

For, the international capitalists, under the international "bull and bear" systems of gambling on the world's international stock exchanges dominate the world's finance, while "international" finance in the present day, combined with the international press of the world, rules the destinies of nations, and they can, and do by their joint power either avert, bring on war, or stop it, just as it suits the financial-books of the former.

In fact, in a similar manner, as I have already shown, the same systems, on the world's produce and metal exchanges, dominate the producers, users, and consumers of the world. And it is the joint operations of international commercial and financial gambling on the world's international exchanges which constitute in 1906 the economic factors tending gradually to the ruin of the world.

Now the capitalists, who are principally responsible for this state of affairs, in connection with finance are, as is recognised the world over, the Jews. And as the press of the world is largely under their control, together with other capitalists, it is the combination of both which is mainly answerable, under certain political conditions, for even war between nations.

I have already dwelt upon the power of the press, and its duty towards civilisation and to humanity. In connection with the subject of international options and "futures," it is well known that the "capitalistic" press of the world has "boycotted" it.

The reason is apparent. A continuance of the international systems means a benefit to Jewish and other capitalists. A prohibition would take the power out of these men's hands.

Besides, by doing the latter, it would also rob the press of the power it now holds in promoting the financial interests of the capitalists, whether they be "bulls" or "bears," by spreading political lies and other false propaganda, as well as crippling, to a great extent its own individual gains, through gambling operations.

These words are not applied to the whole press of the world. Far from it. They are only applicable to a certain, but to the most influential portion, especially that held under the Jewish sway. These are an infliction during the time of peace to every country, and constitute all the year round a serious danger to an international peace.

For example, at the time of writing, we are

witnessing a paper-warfare between the British and German press, in relation to these two countries. It is possible the outcome may bring on a serious international crisis, if not war. With such inflammable material, a conflagration may be easily lighted, with consequences most disastrous to both countries and to the world in general.

It is, therefore, incumbent upon all to spare no effort to avert such a mad calamity. And yet the press of both countries, that claims to voice public opinion, is doing all it can to provoke an Anglo-German war, instead of both showing a little goodwill and good feeling, when all would come right.

Bismarck once said that "the press breaks windows for which governments, or rather peoples, have to pay." And surely the English and German press have lately broken windows enough?

Now what is the reason, or reasons, for this most regrettable situation? By common consent it is attributed to commercial rivalry. Some argue that England is jealous of Germany's efforts to develop her industrial resources and commerce at the expense of Britain. But this has been going on for many years, and is only natural, and applicable to all other nations.

Others write that it is a personal affair between King Edward VII. and his nephew, the German Emperor, and that the Court circles support their respective monarchs. It is the duty of all sovereigns, both to their God and to their country, to do all they can, of a legitimate nature, to further the interests of their people.

Personally, I do not believe it is one or the other, while I am convinced that the latter reason is an absolute lie.

For, speaking as a British subject, I am convinced that neither reasons are the true ones. Both are so unnatural. As regards the latter the characters of both monarchs stand out prominently in the interests of peace the world over. A war between Germany and England would, under any circumstances, be a suicidal undertaking. But to go to war for the reasons stated would be a criminal act in the eyes of God. I believe in the theory of others, that the Jewish capitalists, through the British and German press, are at the bottom of the whole mischief. For the same reason certain sections of the London press glorified the Russo-Japanese war. It succeeded by lies and other unwarrantable calumnies in humiliating Russia in the eyes of its readers and hoped that, by Russia being defeated by Japan, that country would be financially ruined as well as its internal affairs demoralised. By forcing a war between Great Britain and Germany, the Jewish press of those countries hoped that the same ruinous results would be effected on the latter, and that Jewish financiers would be avenged for its anti-Semite feelings.

For another example, to demonstrate the power of the international press and how it can become a serious danger to international peace, let us take what is called the "Morocco" crisis.¹ A three-sided paper warfare between the British,

¹ See Appendix, Note 11.

German, and French press has been carried on for months, and at one time the peace of Europe was on the edge of a precipice owing to it.

This state of affairs was mainly answerable to the "capitalistic" press in all those countries, for various financial international interests between Paris and Berlin were at stake with regard to loans to the Sultan of Morocco, and the Berlin bankers wished to dispute the prey with the French bankers. In the result, it nearly brought about an armed conflict, in which all countries interested in Moroccan affairs would have been implicated. It is needless to say that the Jewish capitalists, directly and indirectly, played the most important part.

The above two examples prove the enormous power of Jewish or other capital, combined with that of the "world's" international press.

And in face of such a ruinous state of affairs, I maintain, in the interests of the future peace of the world, that all men,—whether they be the editors, the writers of the articles, and especially the proprietors of the said journals, whether Jews or Christians,—who propagate any false news, and thereby run the risk of bringing on war, with the object of defending certain financial interests, ought, by the laws of the world, to be subject to ten years' imprisonment, without the option of a fine, and be treated as criminals, for such they are, of the very lowest class, being traitors to the world at large, and wholesale enemies of humanity.

Now in most of the countries of continental Europe there has always existed, more or less, an

anti-Semite tendency. The same, years ago, was also the case in England, while to-day it is apparent below the surface in many of the large towns.

The former remark is specially applicable to Russia and to Germany. The feeling in both these countries is practically universal and extends alike both to the rich and to the poor, while it is acknowledged, all over the world, that where the Jew settles the Christian cannot live. In Russia, as in most other countries, the Hebrew race,¹ who are the money-lenders, have invariably, through the power of crooked finance, held "by the throat" both the agriculturists and the peasants, while their hands have also lain heavily upon the poor.

Is it, therefore, to be wondered at that there should always have been, at certain periods of history, such an almost universal feeling of hatred against this race all over the world, with the exception, perhaps, of the United States, where the American-capitalist (very often a Hebrew under an assumed name) has proved himself to be a match for the Jew-capitalist.

And can it also be wondered at that Christians have been forced to rise against this race, in former centuries and in almost all Christian lands, by massacres and by other unlawful murderous weapons, in order to preserve their livelihood?

For example, in England, during the reign of King Edward II., the same thing happened, and the question was solved by a wholesale massacre

¹ Russia had six millions, being fully half of the Jewish people of the world.

and expulsion of the Jews. In 1899-1900 the same question reappeared in the upper classes in France and convulsed the nation. In Russia the question exists, in both its forms, and history is merely repeating itself.

Men of all classes, whether high or low born, must live, and if any race extorts their life-blood out of them by dishonest finance, or attempts to crush them by any other underhand methods, the inevitable result is a war or massacre, the latter being only another name for war.

And the reason why the word "massacre" is invariably applied to the Jews is because this wandering race, having no country of their own, are forced to reside in every other country.

But such a cruel massacre as one is now witnessing in Russia is a disgrace to that country, as it is to the whole Christian world, in the twentieth century, as nothing can justify it. No words of mine can express the indignation and horror I feel against such an outrageous state of affairs.

While every Christian must hold out his hand of fellowship and pity to the Russian Jews at the present moment—and God only knows where it will end—it must not be forgotten, as I have clearly shown in this book, and as is generally acknowledged in most parts of the world to be true in substance and in fact, that it was indirectly due to this race, through the power of High-Finance that Great Britain and the Boers went to war, and that between them many thousands of valuable lives were sacrificed, besides creating both in South

Africa, and in Great Britain, every human misery that war could inflict.

This being so, may I ask the Christians of the world, if the capitalistic Jewish race have ever shown the same sympathy, by prayer, money, or otherwise, towards those many thousands massacred or to their widows and orphans, as well as to the numerous others who were rendered homeless and penniless by that war, as the Christian-world in general is now showing towards the Jews, under the Russian massacres?

These are sad but true facts, which the Church, monarchs, governments, and the world in general will have to acknowledge if they wish to prevent future wars and massacres.

For they prove that gold is at the bottom of both, and that, in consequence, God's just wrath, in His own time and in His own way, is meted out to all people, whether Jews or Christians, who make gold their god in preference to trusting in the almighty power of the God of all battles.

A solution, in order to prevent a recurrence of such Jewish massacres, is for this race to establish a colony or state of their own, such as has lately been proposed in England, supported by the British Government. Such a settlement scheme is not impossible. It is not a dream. It might prove to be the solution of the Jewish problem. It is publicly acknowledged in London to be founded on common sense. The United States, Great Britain, continental countries, and British and other colonies might join in the movement, and even Turkey might

lend its assistance. It would be for the benefit of the Jews and Christians alike, especially taking into consideration the enormous exodus of Russian Jews that will shortly take place, who will have to find a resting-home in other countries.

For, if such a colony had been in existence years ago, and the so-called Christian governments of the world had taken legislative and other measures, as already enumerated in this book, the world would never have witnessed a Jameson Raid or a Boer War. There also would never have been a massacre of the Jews in Russia, Bulgaria, Crete, or Armenia, while it would prevent the possibility of a repetition of such horrors.

In such a State-colony, should the Jews think it desirable in their interests, they could introduce the gambling "option and future" systems in their agricultural products, as well as the gambling in their stocks and shares. They could "corner" their masses by "bull" operations in agricultural and other raw materials, as well as ruin their agriculturists by "bear" operations. They could also ruin the finance of their country by gambling operations on their stock exchanges. They would have the game to themselves and amongst themselves. They could ruin one another instead of ruining the Christians. They would soon learn the principle of the teaching, "Do unto others as thou wouldst be done by." There would be no occasion to introduce an "Alien Bill," for I venture to guarantee that the Christian would be conspicuous by his absence.

By the governments of the world introducing legislative measures against gambling operations on their respective stock and produce exchanges, the Jews residing in this state or in any other country would be debarred from operating in one and all, which would be a distinct economic gain all round, to Christians as well as to their respective nations.

Now, Dr. Conan Doyle in his book, which created a stir throughout Europe, entitled "*The War in South Africa: its Cause and Conduct*," wrote as follows:—"It cannot be denied that the Jameson Raid has weakened the force of those who wished to interfere energetically on behalf of British subjects. There was a vague but widespread feeling that perhaps the capitalists were engineering the situation for their own ends. It is difficult to imagine how a state of unrest and insecurity, to say nothing of a state of war, can ever be to the advantage of capital, and surely it is obvious that if some arch-schemer were using the grievances of the Uitlanders for his own ends, the best way to checkmate him would be to remove those grievances. The complaisance of the British public towards capitalists goes no further than giving them their legal rights, and certainly does not extend to pouring out money and blood like water for their support. Such a supposition is absurd, nor can any reason exist why a body of high-minded and honourable British gentlemen like the Cabinet should sacrifice their country for the sake of a number of cosmopolitan financiers, most of whom are German Jews."

Now, having published a special book some years

ago in connection with finance and the Jameson Raid and the Boer War, I do not intend to go into the subject further here.¹

Suffice it to say, the first was looked upon by the majority of the world, in which I agree, as "an international Jewish Stock Exchange bear-raid"; while the second was looked upon as a "Jewish capitalistic war," and the direct outcome of the former.

In consequence of such an unjust war, the economic position of South Africa can be summed up to-day as Jews and Chinese, or bankruptcy; just as it was after the termination of the war, bankruptcy, or Jews and Chinese.

I little thought that, at the time of writing that book, I should be in a position a few years afterwards to prove my contentions by further actual facts.

Now, Doyle, like many other men, does not comprehend that most of the great Jewish capitalists, prior to the raid, were "bear" operators on the international exchanges of the world, and that, by these means, they made enormous fortunes, through the very state of unrest and insecurity which they themselves had brought about, with the prior knowledge of the coming raid.

It is solely due to such "bear" operations that capital, under the international gambling systems, can be exploited, and that it is to the advantage of all such at certain periods that, not only the world's political, but also its economical position should be turned into unrest, insecurity, and even, under certain circumstances, into war.

¹ Principal arguments used in 1902 have been verified by 1906.

It is criminal that such should be the case, for it is far easier, under these gambling financial systems, to create panics and price-declines on the bourses of the world than to create steadiness and price-advances. For one example: In November, 1895, the month previous to the raid, the 325 representative securities dealt in on the London Stock Exchange showed a total depreciation of £58,000,000. There was nothing on the surface, either of the political, commercial, or financial world, to warrant such a state of panic.

While Doyle's remarks about the complaisance of the British public are amusing, the sooner the British public are educated up to the fact that it is the capitalists who are ruining them, by "their strict legal rights" (?), in the shape of "bear operations," the sooner will they be saved from absolute ruin.¹

Now, applying the above remarks to the Russo-Japanese War, although it is out of my province to deal with it, from any other, than the financial point of view, and to show the power of the capitalists, I cannot help making a few general remarks, which are, indirectly, appropriate to my subject.

To my way of thinking, the saddest sides in connection with it are the victory of Heathendom over Christendom and that a Christian country like Great Britain has been forced, in order to safeguard its Eastern and other possessions, to make an alliance with a heathen nation like Japan. Both constitute new epochs in the world's history, and

¹ Latest example: The Jewish Magnates' "Bear" Organization in December, 1905, is the sole origin of the ruinous slump in South African shares in 1906. See Appendix, Note 19.

they cannot but have in future years the most dangerous political as well as far-reaching economic consequences in the world at large.¹

For, as Japan won her battle against one of the great so-called Christian Powers, the fact cannot fail to make a profound impression in certain parts of the world that Christianity does not necessarily, in the twentieth century, give strength to the fighter's arm or keenness to his mentality.

Why? Because in the present day, sad to state, there is something stronger even than Christianity. It is Gold! and gold has become the god of nations, while capitalists, by its power, rule the world.²

As we live in an age of new epoch records, why should not the world acknowledge this latter factor, and be determined, in the interests of true Christianity, to put a stop to this world's scandal and the evil it is entailing upon all Christian and heathen nations?

Now, comparing this war with the South African War, I wrote as follows in my book in 1901 on the matter, viz., "That the God of all battles would, for a moral certainty, in His own time and in His own way, prove to the world by His verdict and by His rulings, the solemn truth, as to whether it was an unjust war or not."

I have already summed up the grave economic position of South Africa in 1906³—one which is generally acknowledged to be fairly accurate. It ought to prove to all men that that war was an unjust one.

And in consequence, since the termination of

¹ See Appendix, Note 4.

² See latest example, Appendix, Note 20.

³ See Appendix, Note 10.

the war, and since South Africa became a British possession, the results, both in Great Britain and in South Africa, have been that both countries have been justly punished in every way, especially some of the Jewish Rand magnates and their backers, who were intimately connected with South African financial operations, as well as those millions of Christian speculators,¹ who have been tempted, under their advice or otherwise, to gamble in the gold and other mining shares of that country.

Applying the same process of reasoning to Russia, in its past treatment of the Jews,—and it matters not what provocation this race may in years gone by have given to Russia, the fact remains, that as with Russia, so with Great Britain, the persecution or unjust treatment of any of God's people is absolutely certain to recoil an hundred-fold on the heads of the guilty countries, just as in a similar manner it has invariably happened before, which history corroborates the world over.

Now, I shall first prove that the financial ruin of Russia was mainly saved by the action of the French Government in passing special legislation prohibiting "bear" gambling in Russian securities in France.

Secondly, I shall demonstrate the power of capital, whether it be in financing, continuing, or in stopping the war.

Thirdly, that in the interests of peace, the power

¹ As a very small example. From January, 1905, to February, 1906, the value of forty-five representative shares has fallen from £154,000,000 to £88,000,000. The total depreciation on all shares is estimated, since January, 1905, at £90,000,000. See Appendix, Note 19.

of the "international bear" operator is the greatest factor to prohibit.

As I said in my preface, it is not men, in my remarks, that I mean to attack, but mainly the modern conditions of the world's finance under the world's international gambling financial systems. But, in writing upon such a momentous subject as the economic ruin of the world, it is impossible not to call a spade a spade when dealing with the actions of certain capitalists.

Now, it is well known that Russia, like Germany, has always been antagonistic to the Jews. Further, both these countries, years ago, passed legislative measures to prohibit gambling operations on their bourses; the former, with regard to all gambling, whether it be in finance or in products; the latter, with regard to wheat and other cereals.

These legislative actions were taken principally against the Jews. The same was also the case in Austria and in other continental countries, the bourses of one and all being dominated by this race. It is also well known that since the German Bourse Law¹ came into operation, the Jews in that and in other countries have done all in their power to get the German Government to repeal or modify that law. Also, it is known, that in order to make Russia absolutely independent of Jewish financiers, the government of that country, after the termination of the Franco-German War in 1871, commenced to store up gold in its State Bank and in its war-chests. The result has been that Russia has gradually

¹ See Appendix, Note 15.

piled up the largest amount of that all-powerful metal in comparison to other nations, much to the chagrin of the Jews.

The principal reason for Russia's action was because the Government realised the enormous power such Jewish houses, like Bleichroder, Rothschild, and their syndicate, had in financing the war indemnity of France due to Germany, as well as the defiant attitude this syndicate afterwards adopted towards Germany in various ways for this obligation.

The Jews hoped to make great political capital out of it, but Germany said "No," and has wisely remained anti-Semite ever since, so far as is possible.

In consequence, Germany has become, from every point of view, the most prosperous nation in Europe in 1906. And certain countries, taking Great Britain and France as examples, and who, since 1871, have gradually come under the power of the Jews, have become jealous and antagonistic; while those leading London and Paris organs in the shape of the press, which are under the control of the same race, have attempted to blind the people not only of these two countries, but also throughout the world, by spreading lies and other propaganda, in order to keep alive, if possible, a feeling of animosity against Germany.

THE FINANCIAL RUIN OF RUSSIA SAVED BY THE FRENCH GOVERNMENT.

At the outbreak of the war, a Paris syndicate, composed of the house of Rothschild and other

prominent French bankers (not Jewish), floated loans to help Russia. As is well known, at the outset of the war Russia had the worst of it.

The result was a "bear" raid, principally by Jewish capitalists, on the Paris and other bourses of the world.

In order to avert what threatened to be a colossal financial panic in Paris, the French Government (strongly supported by the French syndicate and bankers), on February 21st, 1904, following the Russian Government Bill against similar gambling operations, passed legislation "to prohibit all gambling 'bear' operations on the Paris Bourse in Russian securities."

In connection with this, the Paris correspondent of the London *Times* of June 5th, 1905, in commenting upon "the extraordinary steadiness of Russian securities," in face of the naval and other disasters to Russia, wrote as follows:—

"The reasons for the firmness displayed by the market are numerous: in the first place, the position here in Russian bonds is a very strong one, as these securities are widely distributed among investors, whose faith in the ability of Russia to meet her obligations is unshaken even by recent reverses, and as long as that sentiment prevails they will not part with their holdings. A second influence is still more potent—what little speculation exists in Russian bonds is mostly on the 'bear' side, and whenever any important 'short' sales are noticed, the bankers who are acting for the Russian Government give active support to the

market, compelling the sellers to cover. A peculiar regulation of the Paris market gives a buyer the right to demand immediate delivery of the stocks or bonds purchased for the account at any time before the settlement day, by tendering the full amount of the purchase in cash. The 'bear,' who is a seller for future delivery, is thus placed at the mercy of a buyer who is possessed of sufficient means to pay outright for what he has bought, for, if the stock is not delivered on demand it is 'bought in' officially, the loss, if any, being sustained by the seller. The bankers of the Russian Government keep a close watch upon the market, and whenever it becomes apparent that a short interest has been created in Russian bonds, they take advantage of the regulation above referred to and squeeze the 'bears.' The average investor, seeing that the market does not yield in face of renewed disaster to the Russian arms, is not tempted to sell, and keeps his bonds. But there is another reason for the strength of the Paris market under the present circumstances, which is found in the inherent solidarity of the large exchanges of the world. There is such an intimate connection between the great financial centres, through constant intercourse by telegraph and telephone, that any perceptible movement in one of them is usually reflected in the others. Now, there are no two markets in closer touch than London and Paris, and whenever a general rise or fall is perceived in one of them, it is immediately felt in the other."

In the first place, it will be noticed, that

this paper, like the rest of the press of the world, ignores and suppresses the fact of French legislation against the bears, as a reason for the "extraordinary steadiness of Russian securities."

But, with regard to the first reason, as put forth, I maintain that the faith of the investors in Russian bonds was due to the joint action of the Russian and French Governments' legislation against the "bears" in those securities. They felt themselves absolutely secure against international "bear-raids."

With regard to the second reason, which, *The Times* says, is still more potent, it proves that the speculation was on the "bear" side, and also that the French legislation in conjunction with the action of the Russian Government, combined with the wise rules of the Paris bourse, saved a huge financial world's disaster, as well as being the means of saving the financial ruin of Russia.

With regard to the third reason put forth, it shows that these systems being "international," the world's bourses would, one and all, have been seriously affected, had there been a panic in France and in Russia. And the result of same would have been a "world's" financial panic, which would have ruined, not only the investors in Russian and Japanese securities, but also all those investors in every class of security and in every country.

Does not all this again prove the power of the international "bear" operator, whether on the Stock or Produce Exchanges, either in time of war or in time of peace, and the ruin these "bull and bear" systems cause to the whole world?

It proves that, had not the Russian and French Governments taken the stand they did by legislative and other measures, that the Jews would have gained their end towards Russia by international "bear" operations. It also demonstrates, that such a power, due solely to these "bull and bear" systems, in the hands of a comparatively few men, could be used with deplorable results; and that even a nation's honour can be placed at stake, and a nation which is dependent, either upon Jewish or Gentile capital in time of war or in time of peace, is entirely in the hands of such men, and they virtually are its rulers. It demonstrates, that such men, have, in the bearing and bulling under the "option and future" systems, obtained the key to the mastery of the world.¹

To show the power of Jewish capital, in averting war, or how a nation's honour can be placed at stake, it was stated by the press, in connection with the late Baron Rothschild's death in Paris, "that it was due to him that France and Great Britain did not go to war over the Fashoda incident, by declaring that on the day on which hostilities were begun, his firm would withdraw the equivalent of £350,000,000 from the French funds."

I have already quoted President Roosevelt's opinions of the capitalists in America. His remarks are equally applicable to all similar men and in all countries. Men of the "Jay Gould" stamp swarm in one and all. As President Roosevelt stands before the world to-day, as one of the greatest

¹ See Appendix, Note 9.

peacemakers of modern times, I will quote again from his speech, made at the end of October, 1905, in Georgia.

He said, "The man of great means who achieves an immense fortune by crooked methods does a wrong to the body politic, and becomes a source of great danger to the nation. The conscience of the people has been shocked by the recent revelations of how great fortunes are made, and a serious effort should be made to put a stop to the cynical dishonesty with which men debauch business and political life. The worst citizens are the men who have achieved great wealth or any other form of success in any save a clean and straightforward manner."

Now actions are more important than mere words. It will be interesting to see what steps President Roosevelt proposes to put a stop to this cynical dishonesty. But, if all the other rulers spoke out in the same clear language, and were honestly backed up by their respective governments, I am convinced that by co-operation amongst all nations, the world's trade and finance would be soon cleared from the gambling and other dishonest operations, which have debauched, not only the honest commerce of the world, but also its finance.

For it is the duty of one and all to grasp the nature of the danger ahead. I am unwilling to believe they are incapable of grasping it, much less, that they blindly refuse to grasp it.

Finally, it is important to point out what has been the result on the values of Russian loans in

London at the termination of the war, in comparison to Japanese, since the outbreak of the war.

One must take into consideration, that the latter nation has been victorious all along the line, while the former has been defeated on land and at sea, and its internal affairs have been all demoralised and in a state of revolution.

I am aware that comparisons of figures widely separated by time do not usually convey much meaning; but still, under the extraordinary circumstances, as stated, it is worth recording and will prove my object that the financial ruin of Russia was in a large measure saved by the legislative and other wise actions of the Russian and French Governments, even in spite of the Jews.

Japanese loans stood eighteen points higher while Russians were eight to twelve points lower. And on the declaration of peace, the latter immediately advanced so rapidly that this decline was virtually wiped out in a few days; while Russian securities, taking nine of the most important ones, showed a fall on the average of some eleven points, from the outbreak of the war to the end of it.

Taking this argument further, to prove my contentions, the net decline in those same nine securities as quoted in London, from the outbreak of the war up to the time of writing (November 18th, 1905), and taking into further consideration the facts, that since peace was declared, Russia has been in the hands of famine, fire, revolution, insurrection, riots, mutiny, and in a general state of anarchy, with certain large French banking

institutions who hitherto have been the powerful friends of Russian finance, refusing to accept Russian securities as margin, has only been on the average some twelve points.

THE POWER OF CAPITAL.

It is impossible to review the whole situation between Russia and Japan without reflecting upon the enormous influence which the power of capital has exercised throughout. Jewish and other capitalists have played by far the most important part in the affairs of both nations.

In fact, although Russia and Japan have lost tens of thousands of men, and the war has cost these countries hundreds of millions of money, besides every other internal misery due to war, the real wire-pullers have been the capitalists, whether it be to commence, prolong, or stop the war, while after its termination they have equally played the most prominent part.

To put the position in a nutshell, whatever may have been the origin of the war, it soon developed into nothing more nor less than a financial war between Jewish and other capitalists.

I have proved by the actions of the French and Russian Governments that the "bearish" operations on behalf of the Jews were defeated at the commencement of the war.

And the reason for the French Government's action was, that when the French syndicate saw that Russia was likely to be beaten, in order to save financial ruin to the French investors, it

passed the already quoted legislative measures. The same French syndicate, with the same object, also took the further step shortly afterwards by refusing further financial aid to Russia, in order to stop the war.

For this syndicate realised that the financial ruin of Russia, taking into consideration the stated fact that Russia is a debtor to France of something like £450,000,000, meant bankruptcy to France, and that the combination of the ruin of both nations would entail partial ruin to Great Britain, the United States, as well as to other international centres of finance.

This in its turn would have caused a financial panic all over the world which would have meant universal bankruptcy, besides shaking the financial credit of most countries to their foundations for many years to come.

With regard to Japan, the capitalists of Great Britain, and to some extent those of the United States, were its principal financial supporters. Money was poured out by both and floated on the public. The press of both countries boomed all such securities in the interests of the investors and in that of Japan.

But even such capital has its limit in financing or prolonging wars. The Governments of France, Great Britain, the United States and other countries interested became alarmed.

The question arose, what is to be the financial end of it, whether Russia or Japan eventually prove victorious? Both the Jewish and other capitalists,

as well as the interested governments, could see that if the war was not stopped by some means, the bankruptcy of both countries might become an accomplished fact, which would not only upset the trade of the world, but also would bring about universal financial ruin, and even they themselves might be dragged into the "financial whirlpool."

The end of the war came in consequence, and the financial factor, just as was somewhat the case in the South African War, when the British Government promised the Boers a gift of £3,000,000 as compensation when peace was declared, proved to be the most important in the negotiations. Thus capital has been humane for perhaps the first time on record!

The financial "backers" of Russia said, "No more sinews of war if you continue it." The "backers" of Japan used the same threats. The Jewish capitalists, moreover, said to Russia, "No financial help from us, even when peace is declared, unless you promise to place our race on equal footing with others."

The immediate result was "peace at any price," especially with Japan. Since the termination of the war both Jewish and Christian financiers all over the world have, *pro tem.*, pretended to turn friends to both countries, and are competing one against the other, in order to obtain the flotation of their respective external and internal future loans and to profit by the commissions which such will carry.

But the termination of hostilities will not mean peace, for the Russo-Japanese battles will only be

transferred to the London, Berlin, and other bourses, where the "bulls and bears" will continue their daily fight over the securities of both these countries.

It will depend upon the future internal circumstances which will yet arise in connection with those nations who is to be victorious, for on that alone will depend whose securities are ultimately to be the most valuable, and the course of their respective prices.

With special regard to Russian securities, notwithstanding that peace has become an accomplished fact, the most powerful factor in determining their future course of prices will yet be international Jewish¹ finance and the power they will exercise over Russia in general, by the wholesale dissemination of their revolutionary propaganda.

Thus, after all, it will not be the nation which was defeated, or which proved victorious in battle and at sea, which will settle the future destinies of these countries, as well as the future credit of same, but the "bulls and bears" on the international stock exchanges of the world.

Such a damnable state of affairs is a "world's" standing disgrace upon civilisation in the twentieth century, and deservedly draws down God's just wrath upon all nations.

THE INTERNATIONAL "BEAR" OPERATOR AND THE PEACE OF THE WORLD.

In my last book, in appealing to the British press to give me fair play in connection with my

¹ See Appendix, Note 20.

general subject, I asked it to sink all private motives, and look at it broadly and from an Imperial and world's point of view. I now make the same appeal to the press of the world.

I further wrote, "Let it realise, as I do, that if these international financial systems in the world's stock exchanges were prohibited and the 'international bear' operator thus prevented from selling 'what he has not got,' that not only would 'bull and bear warfares' come to an end, but even this would tend to prevent 'war between nations.' For the international capitalists, who have such omnipotent power to-day, either in making or in averting war, would realise, that should war break out, they would be deprived of the power of 'bearing' operations. Thus, they would be forced to take into consideration the position of their own 'financials'' necks."

Now, I can say with truth that the above has been exemplified in many ways with respect to the Russo-Japanese War. "International bulls and bears" have played their part in many countries in connection with the finances of both these nations; while the actions of the Russian and French Governments have clearly acknowledged the enormous power of the international "bear" operator.

I have also proved, indeed it is acknowledged by the press of the world, the overwhelming power of all international capitalists in time of war. But the press ignores the important fact that this power is solely obtained by "bull and bear" operations

on the world's stock exchanges, and it is this power by which they dominated the world. They also ignore the still most important factor in the situation, that, in case of war, these same men, while the innocent public are being ruined, can and do, save their own "financial necks," by the power of international "bear" operations.

Now, these latter facts are the principal points I wish to bring before the various Peace Conferences, as well as before all those who are interested in the maintenance of and are responsible for the future peace of the world.

For it is just as well to remember that kings and presidents, like other men, are only mortal, and that such world's peacemakers as King Edward VII., President Roosevelt and others are not born every year; and that it is possible, indeed it is probable, judging by past history, that we shall witness other rulers in the future arise or take their place, who, either for national or personal aggrandisement, will be determined upon making war, irrespective of the consequences to others, and to their otherwise would-be peaceful neighbours.

To my mind, the omnipotent power of the "international bear operator" has been clearly demonstrated during the Russo-Japanese War. I am firmly convinced, that if this artificial power did not exist on the various international exchanges of the world, and that if all other governments took the same legislative and other steps which the Russian and French Governments have done, they

would tend in a very large measure to put a stop to the chances of war between nations.

It would make the world's financiers think seriously of their future financial position in case of war. Their power to defend themselves would be gone. They could not make money by "bear" operations. Consequently it could never be in the interest of capital to see any state of unrest, insecurity, much less war.

The public could not be robbed, and looked at from every point of view, it is in the interests of the world's civilisation, that some step, as I indicate, should be taken into consideration by the responsible governments of the world.

To my way of thinking, and the same ideas must appeal to all other men, it is simply appalling to think of the tens of thousands of lives which have been sacrificed and the hundreds of millions of money that have been wasted during the wars of the past few years, and criminal to reflect on the enormous power the "international financiers" have had in connection with one and all.

This latter simply implies that all such wars have been more or less, at the beck and call of these men.

I go even further and ask those responsible for the peace of the world, whether it is right in the eyes of God or man, with the full acknowledgment on behalf of man, of what war between nations in the twentieth century implies, for any government, neutral or otherwise, to raise loans through any capitalist or financier, knowing that the sole object

of such is to enable a government to declare and prolong war ; and taking into consideration the further sordid fact, that the sole object of the financier is to make commissions which in reality amount to blood-money.

For, in the Russo-Japanese war, we have had a powerful example with regard to the former. Russia had an alliance with France. Japan had one with Great Britain. And both France and Great Britain, although neutral, have been the financial " backers " of both these belligerents, and without their financial assistance there virtually could never have been an outbreak of war, much less a long continuance of it.

And I appeal to these financiers and ask them, Jewish or Christian, whether they be " bulls " or " bears " of Russian or Japanese securities, whether they have ever thought, that by giving their financial aid to Russia and to Japan for the sordid sake of making a few more millions, they are really gambling in the lives of God's people and throwing broadcast every form of misery on mankind ?

All have got hearts and souls and believe in a God of all battles. In consequence I cannot bring myself to think that these men are utterly callous to the sacrifice of life as well as to all the ruinous consequences due to war.

Surely, in the twentieth century, such propositions as I bring forward, although they may be original, are worthy of earnest and serious consideration ?

For what the world requires to-day for its

salvation is a world-wide peace. And what the world has been suffering from for years is everlasting wars and the many curses which these have entailed, both upon Christian and heathen countries.¹

Every man must admit that the first Hague Peace Conference, held now many years ago, broadly speaking, has been a dead failure. For, since that year, almost every country, Christian or heathen, have been engaged in war.

Therefore, in the interests of the peace of the world, let all governments honestly tackle the questions at issue, such as I have brought forward. I am convinced that if this was done and carried out they would be more efficacious as a check to belligerent nations than fifty Hague Conferences.

For, by universally prohibiting "international" "bear" sales in finance and trade, the basis of all financial and commercial conspiracies, as well as of the "daily battles" between "bulls and bears," would be removed, and the latter operators, the curse of the world, would be placed *hors de combat*.

While, by bankers, financiers, and capitalists refusing to lend money with war for its object, and with "bear" sales on the world's stock exchanges treated as illegal operations, I honestly believe the greatest factors in determining the future peace of the world would be achieved, and that this would promote *the world's peace, progress and prosperity*.

¹ See the late British Prime Minister's menace, page 332.

BRITISH FINANCE UNDER THE INTERNATIONAL "BEAR" OPERATOR.

IN the previous chapter I dwelt on the fact that, notwithstanding Russia had been virtually defeated all along the line in the war with Japan, the values of Russian loans and securities had not depreciated to such an alarming extent as anyone would naturally have expected under the combined circumstances of external and internal trouble and chaos. I also gave the reasons for such, and showed how they had been averted.

Now, although Great Britain, like Japan, was ultimately victorious in the war with the Boers, all Englishmen can remember the anxious time that was experienced throughout the country at the commencement of that war, when all was not happy with the British arms. The position of Britain at that period of its war was somewhat analogous to that of Russia.

The result on their respective finances was, however, the same. A financial panic took place in London in 1899, and a similar panic occurred in Paris in 1904. Now what steps did the Russian and French Governments take to stop the latter panic?

They both took immediate action. They recognised that the first and most important step must be to prohibit international "bear" operations in

Russian securities and that all such operations be treated as illegal.

Russia already had the legislative measures required with regard to that country. France passed at once the necessary legislation. The French banks and investors assisted their government in carrying out every detail of the bill.

The Paris and other banks who were acting for the Russian Government, moreover, taking advantage of the wise legislation of the Paris market, which gives a buyer the right to demand immediate delivery of any stocks or bonds purchased, kept a close watch upon the Paris market and on every opportunity, when they saw a large "bear" account had been opened in Russian securities or bonds, "cornered" the "bears" by demanding immediate delivery, and thus prevented a decline in prices.

And may I ask, in the interests of British and other investors, why should not this wise and honest rule be applied to the British and other stock exchanges of the world? And why should honest investors be in the hands of, and at the tender mercy of, the jobbers and the gamblers on the Stock Exchange for the delivery of any stocks they have purchased and paid for?

Thus every step that could be taken was taken against the international "bear" operator, not only in the joint interests of Russia and of France, but also in those of the *bona fide* investors of Russian securities, whether these investors resided in Russia or in France.

And the result was, from every point of view, a

decided victory on behalf of both governments against the conspiracies which were hatched by the international "bears" to bring about an international financial panic.

Now let us see what steps the British Government took to avert their financial panic in London in 1899. They took absolutely none. They let national and imperial finance, as well as the interests of the *bona fide* investors "slide."

And what did the British banks do? Why, the same. In fact, the latter increased the intensity of the panic, for, in order to procure commissions, they encouraged "international gambling" transactions all round, quite irrespective of the loss to the nation as well as to the public at large. This they have continued to do right up to 1906.

And at the various meetings of the Institute of Bankers, held in London, since 1899, all that the past presidents, in their annual addresses, have done, is simply to lament over the great depression and ruinous state of the finances of the country!

For example, the president, on November 1st, 1905, said, "It was a matter of deep regret that there had not been a greater recovery in the price of Consols and other gilt-edged securities, which, having regard to the cheapness of money during the last eight months of the past year, they had every reason to expect."

Exactly so. But ought not the president to have stated at the meeting that during the past few years, international gambling on the London Stock Exchange, as proved by the Bankers' Clearing

House returns, in Consols¹ and in other gilt-edged securities, had increased enormously? And ought he not to have known that the "bears" have been victorious, with the result, as he points out, "of no such recovery as they had every reason to expect?"

It seems to me that British banking houses and their directors, like many others directly interested in the gambling system, would sooner see the country perish than tell the truth as to the causes which are leading up to it. For they and the capitalists are one, and work hand in hand. Their interests are identical. And so long as bankers can continue to pay their enormous annual dividends, and have their property protected against "bear-sales" by "Leeman's Act," as well as the commodity they hold, "gold,"² virtually "cornered" all the year round, and on the other hand, the price of silver unnaturally depressed by "international" gambling operations, that such vital questions as the Nation's prosperity, as well as its general commerce and agriculture, are merely secondary considerations in their eyes. Thus proving that "Nelson's" words are, like true patriotism, a thing of the past, when gold, the god of man, is at stake.

It is all nonsense for bankers to argue that their large profits are dependent principally upon good trade. In times of depression, such as we have had for years, all business men are aware that such profits, whether trade be good or bad, are largely

(1) Consols settling days (12), 1905, £638,783,000; 1904, £597,160,000; increase £41,623,000.

(2) See Appendix, Note 9.

due to commissions earned on gambling stock and produce operations, as well as to the half-commissions earned from share-brokers, for business done for clients; and further, that bankers, in such times, take all advantage of their clients and make business men pay "through the nose" for advances or for any temporary financial assistance.

Otherwise, if such was not the case, how could bankers continue to pay their enormous annual dividends, when experience has proved that prosperity has generally been of short duration, followed by prolonged periods of depression? In fact, since 1890, with few exceptions, British finance has been in a chronic state of either depression or panic.¹

And it is a fact worth placing on record, that during the many years of my crusade against these gambling systems, the banking and capitalistic interests have been the principal ones represented on the Royal Commissions who have investigated these subjects. I will instance them. In the Royal Commission on Agriculture in 1893, Mr. Shaw Lefevre, M.P., chairman, and Sir Robert Giffen; in the Royal Commission on Food Supplies in Time of War in 1903, Lord Balfour of Burleigh, chairman, and Sir Alfred Bateman. Consequently all such men were antagonistic to my views and in favour of the interests of the bankers.

The South African war further resembles the Russo-Japanese war in another respect. During the former, as is well known, Great Britain was virtually morally isolated. The world in general

¹ For financial result, see page 34.

looked upon the war as an unjust one. The Press of the world upheld these views and preached that gospel far and wide. It was also a strong nation fighting a weak one—hence universal sympathy went to the Boers. Russia has also had to contend with this, all sympathy going with Japan, the weaker nation.

Russia has also been “boycotted” by the Jewish financiers. This means, to a certain extent, “financial-isolation.” But, while Russia and France took special measures to fight this, Great Britain took none to protect itself from its form of isolation.

The British Government forgot that owing to there being no special legislation in England, with regard to “anti-bear” international operators, such men could wage a “financial war” against that country, and, by “bear” transactions, virtually ruin its finances.¹

Now, this being the case, let us see the results on British finance.

I will take the range of values of Funds and Government Stocks, Trust, Colonial, and gilt-edged Securities, Railway and other Shares, prior to the outbreak of war in South Africa, up to the period when peace was declared between Russia and Japan, say, from 1899 to 1905.

The depreciation from 1899 to the end of 1901, of the 325 representative securities quoted on the London Stock Exchange, was fully 250 millions. That is to say, the fall in leading securities ranged from thirty to seventy points, as against the average fall in the leading Russian securities of twelve points

¹ Latest object lesson. See Appendix, Note 19.

as dealt in on the London Stock Exchange ; while, from 1901 up to October, 1905, although we have witnessed small fluctuations, the net rise from those panic prices only amounts to a few points, say, for example, Consols from eighty-six to eighty-eight.¹

Now, various theories during the past years have been put forward by financial authorities and writers in explanation of such a ruinous state of affairs.

Some say it is due to the various wars. Others, that it is due to the creation of fresh capital in corporation and colonial stocks. The bankers blame the Government in connection with the Sinking Fund, the small reserve of gold, etc. Others say it is due to the enormous creations of fresh issues of capital by the British Government. Others write that Consols and such like are out of favour with the public. Others, that it is due to the gigantic losses in South African shares.

To demonstrate the power of the Jews in France and in England, the Press of these countries, over which they rule, put forth as the reason the scarcity of gold from the Transvaal, due to the late South African war.

While the governments, since the war, have by their actions and words, and in the sole interests of the Rand magnates of that country, coincided with those views. For instance, the British Government introduced Chinese labour into the mines.²

¹ 325 securities :—Improvement for 1905 only 35 millions in comparison to 1904, principally in foreign stocks ; improvement for 1904 only 48 millions in comparison to 1903.

² On February 23rd, 1906, the Liberal Government put an end to this foul national scandal.

The French Finance Minister some two years ago, in introducing his Budget speech, ascribed the depreciation in the world's markets to the stagnation of the Transvaal mines. He said, "So long as those mines are not fully worked, the morbid condition in the world's markets must continue."¹

But others, however, get nearer the truth, and say it is because "the world's public as a whole have become poor, and are mistrustful of the whole Stock Exchange business."

The *Saturday Review*, for example, in 1905, says: "If one excludes the members of the public who are too hard hit to indulge in fresh commitments, and the section who are able, but are too nervous to open speculative accounts, fully sixty per cent. of the usual business of the exchange is accounted for, and the balance becomes very thin when spread over the five thousand members of the House."

The *Economist*, in 1905, after dealing with certain causes, says: "But this is not sufficient to explain the continued depression of investment stocks, nor indeed goes sufficiently to the root of the problem presented at the present time of stagnation in investment markets, while a fair amount of activity prevails elsewhere. A period of dirt-cheap money, eight or ten years ago, resulted in an inflation of gilt-edged securities and South African mining shares, a blow to which was given by the outbreak of the South African war."

Now, as everyone knows, we have had as a rule

¹ This reason has since been proved to be a false one. Record gold output in 1905—1906. See Appendix, Note 19.

for the last few years a period of dirt-cheap money. This, therefore, cannot be put forth as the cause for the late stagnation and for the present low level of prices.¹

There is yet another cause, which of course the Press entirely ignores, for this continued depression. I allude to the most important question of "international gambling in British funds and securities on the English exchanges, and especially to the enormous power of the international 'bear' operator."

As I have already said with reference to the remarks in the *Saturday Review*, they are getting nearer the truth. The public, alike applicable to the investors as well as to the speculators, have indeed been hard hit all round for many years. And this being so, as that paper states, sixty per cent. of the usual business is accounted for by its absence, that is to say, sixty per cent. of the whole business done on the London Exchange is of a speculative and of an international nature in "fictitious" securities. This establishes the fact of the enormous gambling operations entered into by "international" operators on British exchanges.

But this authority does not go far enough with regard to the causes of depression. It only refers to the results of recent years, on behalf of the public, in connection with stockexchange gambling operations.

It does not refer to similar losses in commodities by the public on the various produce and metal exchanges. It also neglects to point out those

¹ Average 3 per cent. for 1905 is the lowest average for the past six years.

made during 1899—1905 by the gamblers in cotton and in wool, and the enormous losses, directly and indirectly, made by our two great textile industries, viz., the cotton and wool industries. Likewise, it omits to mention equally ruinous losses to those dependent upon the sugar and other allied industries during late years ; one and all of which have been directly due to international gambling operations. It also omits any reference to the gigantic yearly losses that have befallen all branches of British agriculture during the past twenty years.

In my first chapter, I dwelt upon certain figures in connection with British finance, agriculture, and trade, and roughly showed what the aggregate total losses must mean to the nation at large—capital as well as labour.¹

The net result on the public must be simply stupendous, and no wonder “the public have become poor and are mistrustful of the whole gambling business.”

It is these losses, combined with national personal extravagance, which, in my opinion, goes to the true root of the problem of the great depression in stock exchange securities.

Every class of society has been affected whatever their vested interests may have been. The pigeons, in the shape of the public, have been plucked all round. There is no exception. And so long as the British Government allow these combined international systems of stock and produce gambling to exist, there can be no permanent recovery.

¹ See pages 33 to 36. Also footnote, page 236.

As the *Saturday Review* admits, only forty per cent. of the business done on the London Stock Exchange refers to *bonâ fide* business. On the produce exchanges it is only about ten per cent.

And if the "bulls," in the shape of the public, are conspicuous by their absence, it necessarily follows that the "bears" must be victorious and prices decline.

This is exactly what has been taking place for years on the London Stock Exchange, and this paper states the true reason for it, but omits to point out the other causes and their ruinous effects, as I have stated.

It is impossible without "bulls," under the international gambling systems, for prices to advance. And it is further impossible for the great capitalists and financial houses to bolster up the markets for any length of time without the assistance of the public.

If they see the public will not come in these same men turn "bears" *pro tem.* and make money on that tack, which also means a decline in prices.¹ The whole business of the present day lies between "bulls and bears" of "fictitious" shares, and it is the values they daily make which govern the prices of the actual shares owned by and paid for by the *bonâ fide* holders and investors.

Let anyone study the daily financial articles in the London or other newspapers.

There he will read such sentences as "bulls and bears," "pending the settlement," "failures," "reported failures," "firms carried over the settle-

¹ See footnote, page 234.

ment," "difficulties tided over," "top - heavy position," "overloaded bull account," etc., and, above all, the significant word "liquidation," all of which are put forth by the Press as the reason for the existing daily decline in prices.¹

But this question of liquidation has become almost chronic in some or other department of the Stock Exchange, while liquidation in one class of security means liquidation in another, and so on, until almost all securities are affected.

This liquidation, compulsory in the majority of cases, is either on behalf of members of the House, the public, or the "international" gamblers, residing in Paris, the United States of America, South Africa, the Continent, or in some other part of the world, and is mostly applicable to international gambling contracts, which merely represent "fictitious" shares; thus reducing the London Stock Exchange and the City of London to the level of the foremost gambling hells of the world, attendant with all the certain ruin caused thereby.

Under such destructive consequences, is it to be wondered at that foreign holders, as well as others, have become alarmed, and liquidated their holdings of Consols and other gilt-edged securities at panic prices? For they have witnessed the former, which used to be the premier security of the world, marked down to 85 in the ledgers of English and Continental banking institutions.

Capital all over the world is naturally timid, and

¹ Latest proofs. Read the London and Paris Press for February and March, 1906.

when in danger, and feeling itself insecure, it invariably deserts the sinking ship!

How can any securities remain steady, much less have a permanent advance, when most holders are frightened, and when all markets, more or less, are in such a state of "daily" liquidation?

It is impossible, so long as the "world's" public are too poor and have become distrustful of the whole gambling business.

Thus, the members of the House,¹ the public, and the nation at large, must in the long run inevitably suffer, as they have done since 1899, from these international "bull and bear" systems, while the "international bear operator," by his power, has become a positive menace to the British Empire.

The time may again arrive, as indeed has been apparent for some years, when the investing public will have to revert to the old custom of stowing away their honest savings in the proverbial "stocking," where, at any rate, the "bears" cannot depreciate their capital. For what is the use of possessing honest capital, or attempting to increase one's savings, when they are at the tender mercy of the "international bears"?

In one of my earliest books, I stated the opinion that the actions of Mr. Gladstone and of Lord Goschen, by reducing the prospective interest on Britain's premier security, would prove one of the most dangerous that could ever happen to honest capital. Such capital ought to carry its legitimate

¹ The Stock Exchange has got its deserts, after its well-known blasphemous telegram to Paul Kruger in 1899.

value, and I said that by such actions they would force the investing public to partake in stock and produce exchange gambling operations, with the delusive idea of increasing their incomes in order to meet the present day's extravagances and luxuries.

This is what has actually taken place, to the detriment of the nation, but to the benefit, I admit, of the members and jobbers of the exchanges.

In a correspondence in the *London Morning Post* in July, 1905, in reference to the Stock Exchange and finance in general, the following letter appeared from the author :

“Has not Mr. Pulbrook, in yours of the 7th inst., omitted to state the principal direct cause for Stock Exchange stagnation, viz., the international ‘bear’ operator?”

“It may be—indeed, it is possible—that owing to our present financial system, which constitutes a permanent ‘corner’ in gold—that is, since the demonetisation times and gambling in silver—that his arguments for the causes he sets forth may be indirectly responsible for the stagnation of the past few years. But I maintain the direct cause for such is the one already stated. By the operations of the international ‘bears,’ prices have sunk some 25 per cent. up to 60 per cent.

“Thus the world’s public, who are invariably the ‘bulls,’ and who ‘keep the pot a-boiling’ on the Stock Exchange, owing to their year-in-year-out losses, are at last conspicuous by their absence. This means in the parlance of the Stock Exchange ‘stagnation.’ For Mr. Pulbrook forgets by these gambling operations that 90 per cent. of the business done ends in ‘differences,’ and consequently neither A. wants the actual commodity nor does B. require it.

“The whole position of the Stock Exchange may be now summed up in one word ‘rigging,’ whether it be for an advance or for a decline, but the latter have it owing to ‘bear’ operations. This means a loss to the nation itself, a loss to the public, and now a loss to the members of the Stock Exchange themselves, who are directly responsible for one and all, and who have acted for years on the

principle, as Mr. Pulbrook rightly says, of 'heads I win, tails you lose.' Because they, as a rule, are invariably the 'bears,' the public being the 'bulls.'

"The latter have lost so enormously during the past few years that the end of their financial tether has at last come, and judging by the late failures on the Stock Exchange it seems to me that the members themselves, by turning 'bulls' and thus taking the place of the public, are being hoisted by their own petard. Why not, therefore, go to the root of the evil, and put some check on these international 'bear' operations before it is too late?"

The only arguments that the Press, which is largely interested in a continuance of these gambling systems, can bring forward to defend the "bear" operator—that is, a man, who by "fictitious" sales, who does not possess the property he sells, but who makes such sales with the sole object of benefiting himself by depreciating the vested interests of other people, and with the hope of causing an unnatural decline in values and if possible of creating a panic—are, in the first place, personal abuse, which is a sign of the general weakness of all their arguments; secondly, that such sales form a sort of insurance against losses. This is true up to a certain extent, but the Press ignores the facts, that such bear-sales have been the "pioneer" of many of the late commercial and financial panics; also, that such sales are only made for personal protection at the expense of all others, that those who sell "short" under such circumstances are, as a rule, invariably the capitalists and the professional and "inside" market operators, and that all such sales must tend to lower prices, and that by them the *bonâ fide* investors, whether they

be widows, orphans, or the helpless public, are the direct sufferers.

With regard to the theory, where there is a "bear" a "bull" must be found, I can produce dozens of Press paragraphs where it is stated, that owing to continued losses and to forced liquidation, etc., "bulls" are conspicuous by their absence; and no one will deny that ninety per cent. of these "bulls" are the public, and that in consequence of such bear-sales and in the absence of the "bulls," prices must decline.

Another argument put forth is that, when certain markets are known to be heavily "beared," those markets are the strongest, owing to the fact that the "bears" will have to buy back. This I admit is true up to a certain point. But the argument falls to the ground, because, in nine cases out of ten, the "bears" are the strongest for reasons already stated, and because during the last few years the world has been in such a state of unrest that it necessarily has been in favour of all such operations. The only exception has been during "corner" times, when the "bulls" are composed of the capitalists and "corner" the "bears," the former, as a rule, being the "inside" professional gamblers or members of the international exchanges.

A most notable example of this took place in 1901 on the London Stock Exchange, in Northern Pacific Railway shares. The British and other "bears" of that exchange were "cornered" by certain American capitalists. In order to save a colossal disaster, the rules *re* "bear" sales on that

exchange had to be rescinded by allowing the "bears" an indefinite period to cover their sales.

But this, I may say, has never happened to British or to Colonial securities. Therefore almost universally the "bears," who are the "insiders" of the Stock Exchange, win and prices must decline to the ruin of the general public.

The above example also proves what stratagems the directors of this exchange will adopt when it is their own members who are the "bears" and when they are likely to be ruined and also bring ruin upon other members.

In the argument that a "bearish" market is a sign of strength, the Press forgets that the innocent public, who are generally the "bulls," have to "liquidate" their gambling contracts as well as their investment holdings, should they have to realise the latter at the artificially low basis of prices which the "bears" themselves have created by their sales, and also that, if there had never been such "bear" sales, such a low basis of price would never have been reached.

With regard to the principal and general argument of the Press, about a market being the firmest when it is a "bear" market, all I can say is, that, if only markets can be firm under such circumstances, and require such "artificial" means to support them, it is the greatest proof to show the utter rottenness of these "bull and bear" systems, and one requires no better evidence to substantiate the fact that such a financial basis must be rotten to the core and that, in nine cases out of ten, it must constitute a swindle upon the investing public.

With regard to "bear" sales on the Stock Exchange, and in face of the enormous depreciation in values, Mr. Field, M.P., asked the Chancellor of the Exchequer in 1905 a grave question in the House. The answer was, as usual, simply in the negative.

In plain Anglo-Saxon the Chancellor's¹ "No" conveyed the meaning—putting it into other words. Let British finance, like its trade and agriculture, perish.² Don't worry me or the members of the Government, year after year, about such trivial matters. My father and the present Government, given time, will put all in order and make both capital and labour flourish, by protection and by retaliation.

The following is a copy of the question :—

"Whether, in view of the depreciation in the price of consols, Government and trust securities and in railway shares, he will consider the need of proposing similar legislative measures to prohibit 'bear' sales and fictitious dealings in these and all other securities dealt with in the British stock exchanges, such as Leeman's Act of 1867 does with joint stock bank shares, and whether, seeing that the French Government passed in February, 1904, a similar law prohibiting such gambling operations in Russian bonds and stocks, and that the Belgian Parliament has at present under consideration a similar law with the object of preventing international fictitious dealings on their Stock Exchange, he will suggest an international conference to be held to consider this matter."

I ask the question again, why should such international gambling operations be allowed to continue

¹ Mr. Austen Chamberlain, M.P.

² Judging by the King's Speech in 1906, the Liberal Chancellor intends to continue the same insane policy. See Appendix, Notes 1 and 19.

for the benefit of the few thousand members of the London and other British stock exchanges? The stock exchange, I take it, was intended as a State Institution, created for the benefit of the State and of the public, and, for the life of me, I cannot understand why the State should not interfere, when it must see that both the State and the public are being robbed, year after year.

In fact, it becomes a national question. If some steps are not taken by the Government to put a stop to these combined systems of international gambling in stocks and in produce, it is only a matter of time when the nation must face national bankruptcy.

For it is impossible for any country to stave off such a disaster, when its agriculture, trade, and finance are gradually, one and all, getting into such a state of financial chaos, and when that country to a certain extent is living on its capital.

Let any one read the words uttered in Parliament by the then British Government concerning "the South Sea Bubble." Let them also study the words of the great French King, Louis XVI., as given in my last book. What these men said years ago is equally applicable to-day with regard to the "infamous" practice of stock-jobbing.

History is only repeating itself, but instead of one such swindle in England, we are, in the present century, witnessing similar swindles all over the world, almost of daily occurrence and solely due to the far more iniquitous form of "stock-jobbing," in the shape of "international" "bull and bear" gambling operations.

Now, without going into particulars of the numerous and underhand methods by which such stock-jobbing and gambling operations in "fictitious" shares are carried out in 1906, the result of which is that, in the aggregate, they multiply themselves hundreds of times over and above the scrips representing the "actual" shares, and which, if I did so, would constitute a book in itself, it serves my objects to point out that Great Britain for example, with all other continental countries, in years gone by, had grappled with these national and imperial evils by legislative measures, and that nearly the whole of the *bona fide* business of the Stock Exchange to-day is in the hands of the jobbers, who, by their gambling operations, have the daily making of all prices in their hands to the detriment of honest investors and of the general public.

And to prove this statement in a general way, I will quote, as examples, late extracts from the *London Standard* and other papers. They wrote, "the extent to which the operators in the 'House' appear to have bought shares which they are utterly unable to take up or finance is little short of a scandal. The position is being gradually liquidated by the process of closing accounts 'under the hammer' but the effect upon prices is considerable. There may be no guarantee that similar tactics will not be renewed unless the matter is vigorously taken up by the Committee. The condition of affairs has been mainly brought about through reckless operations on the part of a few impecunious dealers in the "House." The weakness of the

speculative position in South African mining shares, and the muddle which has been made of recent settlements bids fair to check business in the stock markets for some little time. With the detail work of the settlement stretching over five or six days, while its effects are further prolonged by a series of 'compulsory auction sales' of shares, held on behalf of weak members of the House, the ordinary public have little chance between the accounts of liquidating any positions they may have open . . . Scandalous! The Stock Exchange Committee doubtless recognise in theory that they have their duties to the public. Their rules and regulations show that. But what can be said of control which permits market plungers to bring about minor disasters such as the recent Kaffir break? Surely in cases where dealers simply refuse to pass names, presumably to suit their purpose, the Stock Exchange Committee can investigate and impose penalties. For the loss is the loss of the public who are attracted to the market, to the benefit of brokers and jobbers, and then left in the lurch. It is ugly, but the Stock Exchange Committee seem either incapable or utterly callous."

With regard to ancient legislative measures, we had Sir John Barnard's Act of 1734, an Act principally due to the swindling operations on the Stock Exchange in 1720 and in later years, and repealed only about 1860. Then we had Leeman's Bank Act of 1867, which is still in force.

It is interesting to point out, that with regard to the repealing of the former Act in 1860, the immediate

result of same was a financial panic in 1866, termed "The Overend-Gurney Panic," and acknowledged to be largely due to "bear" operations in bank shares, and that the direct outcome of this panic was the passing of Leeman's Act in 1867, which prohibits "bear" sales in fictitious "Limited Bank Shares."

And why should not all other vested interests dealt in, either, on the British stock or produce exchanges, be similarly protected from "bear" raids? And why should any systems be allowed by which the public can be robbed and by which any "international" capitalist can hold all such vested interests in the "hollow of his hand?"

For all the financial and commercial panics since 1866, either directly or indirectly, have been due to these gambling "bull and "bear" international systems.¹

In addition to the special panics of 1904-05, as previously referred to in other chapters, I will instance the most ruinous and those which affected the world for many years afterwards.

It is a remarkable fact that in one and all, either directly or indirectly, the Hebrew race have played the most conspicuous part. With them the end has always justified the means: The 1878-79 "City of Glasgow Bank Failure." The 1883-90 "Lancashire Cotton Panics." The 1888-90 "Copper Panic." The 1890-94 "Baring Collapse." The 1895-97 "Jameson Raid." The 1899-1902 "South African War."²

¹ See next Chapter.

² For 1905-6, Special Panic, see Appendix, Note 19.

In connection with finance generally, it is an extraordinary fact, worth placing on record, considering there are, I believe, only some eleven millions of the Hebrew race distributed over the face of the globe, what an all-powerful influence they have had in every part of it; and that, while there are naturally good and bad ones amongst them, the result has been that almost universally, I may say, with truth, the bad ones have been in the large majority to the detriment of Christians and others.

And at this point, may I ask, what is a Jew? Why, he is always a Jew. It matters not whether he be a naturalised Englishman, German, or Frenchman, he always remains a Jew, and consequently at heart anti-Christian. He is never an agriculturist. As a rule, he is not an honest trader. He is a usurer and financial schemer, and his only object in life is to gain money, at the expense of others, at any cost or by any means. His interests are solely Jewish, and consequently, as a rule, are antagonistic to the true interests of the country which has sheltered him.

The time will come, unless the swindling systems by which he obtains his enormous wealth at the expense of the Christians be prohibited, when, not only will he be able to hold by the throat the world's agriculturists, its finance and trade, but at some remote period, and by the same power, he will dominate the army and navy of certain European countries, and thus become the absolute ruler over those nations.

And I maintain, under these circumstances, that

any nation which is mad enough to allow Jews to occupy any official positions is only courting disasters in future years, such as have taken place in the past.

It was the same race that first recognised the enormous power of capital all over the world, while most countries have had the experience of their determination to ruin or cripple Christian Banking Houses, who had become their too keen competitors in High Finance. Take, as examples, in England, the panic of 1866 and the "Baring Collapse" of 1890.

But in order that they could make use of this financial power, it was necessary to invent some underhand systems by which they could dominate the world.

Before stating the actions they took to obtain this end in 1862, let us compare, for example, the economic position of England with regard to these gambling systems with the period when the Jews were expelled in 1290 up to the time when they were readmitted on "sufferance" by Oliver Cromwell in 1656.¹

As I have stated, laws had been in existence during these 366 years, which prohibited all gambling operations in agricultural products. Consequently, under these circumstances, Cromwell, while recognising the great business capabilities of this race, as well as their enormous financial power, realised that they could do no harm, either to British trade or to British agriculture.

¹ See Appendix, Note 18.

But it appears that Cromwell was somewhat like the British Government in the twentieth century, in the hands and power of the Jews. For he had to rely almost entirely upon them for his early and reliable information from all parts of Europe and the New World, while the greater part of the secret service of the country was in the hands of the City Jews.

Thus history appears to be repeating itself over again, not only with regard to the power of Jewish finance, but also with regard to certain governments in the present century, the position of the latter being very similar to that of Cromwell's.

But the economic state of Great Britain in 1906 is very different to that of 1656 with reference to these gambling systems. I will now trace the reasons why, and the gradual steps the Jews took in order to make it so and to accomplish their end.

They first used their powerful influence with the then existing British Government to repeal Sir John Bernard's Act of 1734, *re* Finance, as well as the ancient laws which had treated as illegal operations all-time bargains in agricultural products from the year 1200, the former Act being repealed in 1860, the latter in 1844.

This being accomplished, they gradually reintroduced, say from 1862, the old time-bargains under another name, rechristening them "options, futures, and warrants," as well as the old practice of stock-jobbing and the gambling in shares.

And it is worth while placing upon record, that it was during these very periods when the Jews in England, say from about 1850 to 1880, were

by degrees obtaining their enormous political as well as their great social and business powers.

For example, we had such prominent men in politics as Benjamin Disraeli, Goschen, Herschell, and others, not to mention those who by marriage into Jewish families, like Lord Rosebery, also played important parts in political life. Disraeli, for instance, was a member of the British Government, more or less, from 1852 up to 1880, and Prime Minister for many years; while it was in 1875 that the American-German Jew, Morris Ranger, financially supported by such Jewish financial houses as J. H. Schroder & Co. and Fruhling and Goschen, who first reintroduced into England these systems of gambling in "fictitious" agricultural products.

With regard to Lord Goschen, I may state, he is the only member of the late British Government who, during the whole of my crusade, has ever written to me private letters warmly congratulating me on my endeavours, assuring me he was not a member of his firm in 1875. Such gratuitous statements, it is needless to say, were received with great satisfaction.¹

But I venture, nevertheless, to assert the opinion, that if the Hebrew race had not obtained, during the before-mentioned years, such enormous political, social, and financial powers, the old laws would never have been repealed, that these new systems would never have been allowed to be reintroduced into England, and that, in consequence, the economic position of this country would never have been in the acknowledged critical state it is to-day.

¹ See Appendix, Note 18.

It was in 1880 that Herschell was employed by the Liverpool Cotton Association, at the instigation of the Jews, to form a "future" contract, in order that the technical wording might be so arranged that such transactions in "futures" could not, by law, be treated as gambling operations.¹

And to bring this subject up to date in connection with British politics and the Hebrew race, I notice the Campbell-Bannerman Government in 1905 includes men who, by marriage, are indirectly connected with Jewish High Finance, as well as a Mr. Samuel, Parliamentary Under Secretary of the Home Department. This latter gentleman, whose name stood prominent in opposition to the Alien Act of 1905, will have, I take it, in his official capacity, to administer that law in the future, whether applicable to Jewish or to other aliens.

It will be interesting to see how a Jew on the one hand, and a Socialist, like Mr. Burns, on the other, carry out this Act in its entirety, in the sole interests of and in the welfare of British labour!²

Thus, whether it be in the field of British politics, or in those of finance, or in so-called "society," this race has gradually but surely become the dominating power during the last twenty years, such as also has been the case in France.

The *entente cordiale*,³ the happy inspiration of

¹ This contract is in vogue in all British Exchanges. See page 55.

² This Act received its practical revocation by the Government in March, 1906, in the interests of Jewish labour.

³ Latest practical example of the l'Entente Financial. See Appendix, Note 19.

the Jews on both sides of the Channel, which now exists between these nations, has become useful to them from their point of view, especially with regard to the anti-Semite country, Germany, and the same will no doubt continue so long as it suits their "financial" interests not to upset it.

The dangerous and untenable position in 1906 in the world in general is that, through these international swindling systems of "options, futures, and warrants" in international finance and trade, the larger bulk of the world's floating wealth, both actual and on "paper," has centred itself in the hands and power of a few thousand unscrupulous gamblers of mixed nationalities, say, Jews first, so-called Americans second, and the others comparatively nowhere,—all gained at the expense of the larger and better number of the world's citizens.

Whilst under the same gambling "bull and bear" systems, the Jewish, American, and other "international" capitalists have obtained "The Key to the Mastery, not only of Great Britain, but also of the World."

Does it not follow, as a natural sequence, under such false economic conditions, and taking into consideration the facts that, owing to the power of these international gambling systems, the bulk of the world's floating wealth is gradually accumulating in the hands of only a few men, who under these systems are most unscrupulous and whose only object in life is still to become richer under them, that the better and far larger number of the world's inhabitants must be

gradually becoming poorer, and that all these must suffer, whether their interests be represented by honest capital or by honest labour?

And, therefore, the "world's" cry in 1906 must be, "away with all such 'fictitious' dealings in finance and trade," as it is solely by such nefarious operations that all such unscrupulous men and of various nationalities, are surely but gradually bringing about the world's economic ruin.

And the governments of the world are gradually waking up to these facts.

Sauve qui peut.

Some day, no one can say when, the British Government will be forced to realise that it has been living in a "fool's paradise" for years, and that, in a "Financial bull and bear Armageddon," which, under these international systems is absolutely certain to happen, taking into consideration the yearly struggle for gold all the world over and the totally inadequate reserve stocks of this metal held in Great Britain, neither Jewish nor Christian financiers, nor foreign Governments, will be able to save the "old country" from bankruptcy.

Great Britain ought to have somewhat learnt this lesson from the financial panics of 1866, 1878, 1890, 1899, and those since this latter year.

To show the present critical state of the money market in London, it is stated in the French Press that in November, 1905, the British Government, with the object of preventing a five per cent. Bank Rate, had to appeal to the French Government for a loan of two million francs in gold, while

the *City Press*, in December, writes, "that the Deputy Governor of the Bank of England suggests a conference of bankers, with a view of taking concerted action when circumstances of great difficulty arise, and that the present moment he considers opportune for the constitution of such a conference."

At about the same time, with the sole object of staving off a "financial collapse" in the United States, owing to money reaching the astounding height of 45 per cent., the capitalists of Wall Street are making desperate efforts to induce the Treasury to help them in their mad gambling operations and in their endeavours to bolster up the stock-markets with its reserve funds.

With such a state of rottenness in the world's great centres of finance, as London and New York,¹ how, may I ask, can the "world's" finance be kept free from a continuance of such yearly upheavals; and how can a London Bankers' Conference do any real good when its basis is dishonest?

It is impossible, and the world must suffer in consequence. And the British Government will have to acknowledge, and so will the members of both Houses of Parliament, as well as the bankers of London, when it is too late, that the direct cause of Britain's economic downfall has arisen from these international gambling operations in trade and finance, and that they alone, by their "Policy of Drift," have been responsible.

Or, adopting the words of the British Government and Parliament in the eighteenth century, *re* the

¹ See Appendix, Note 9.

“South Sea Bubble,” every word and epithet of which is applicable in the twentieth century, not only to certain nations and to their governments, but also to the so-called “Napoleons of Finance,” as well as to the iron, wheat, cotton, maize, copper, sugar, and other “Kings of Commerce,” :—

“We have made them kings, and they deal with everybody as such. . . . The nation which two years ago had possessed more weight and greater credit than any other in Europe, was reduced to its present distress by a few ciphering cits. . . . The people found out that they had been playing their solid gold against bits of paper,¹ which represented nothing, save the matchless impudence of financial projectors. . . . The nation is reduced to its present distress by such a species of men. . . . Nothing can tend more to the establishment of public credit than preventing the infamous practice of stock-jobbing, . . . Every day brought forth a new project, till all trade was suspended save this gambling in shares. . . . A train has been discovered of the deepest villainy and fraud that hell ever contrived to ruin a nation. . . . The directors are monsters of pride and covetousness, cannibals of ‘Change Alley,’ and traitors to their country.”

While, with regard to the universal ruin caused by stock exchange (and the same holds good for produce-exchange) gambling, the words uttered are so appropriate to the past few years, concerning trade, industry, profits, and economy, besides confirming what I have already prognosticated years ago,

¹ In 1906, these now include options, futures, and warrants.

of their certain demoralising and sad effects on the nation at large, applicable to honest capital and consequently to honest labour, that I am tempted to quote them, viz. :—

“The project would only extend the practice of stock-jobbing, by diverting the genius of the nation from trade and industry, and exciting a contempt for slow profits and careful economy. . . . The result on all peoples was ruin . . . all men ran to sell that stock, as well as all others affiliated to it, and no one would buy, . . . thousands became ruined bankrupts, while many a desolate home, many a broken heart, and many a suicide’s grave only remained to mark the traces of the broken bubble.”¹

Thus history will only be repeating itself once more. And the economic miseries of the world in the twentieth century as in the eighteenth will again be traceable, directly or indirectly, to the somewhat similarly unnatural causes, viz. :—

To the Combined International Gambling Conspiracies in Finance and in Trade.

¹ During the past twelve months, some twenty suicides have taken place in Paris, London, New York, etc., due to “gambling” losses in finance and trade. The “liquidation” of these various men’s gambling operations caused a state of panic-like demoralization throughout the “World’s” Exchanges.

THE "WORLD'S" PRINCIPAL FINANCIAL AND COMMERCIAL PANICS FROM 1866—1906 SUMMARISED.

IN order further to prove my contention I summarise a few of the most important financial and commercial panics since 1866.

It will be proved that one and all have been due, directly or indirectly, to international conspiracies in trade and finance, through international financial or commercial gambling operations. Further, that the international "bear" operator eventually proved victorious, and that in almost every case he has been of the Hebrew race.

And, I may remark, if one and all of these panics had been investigated at the time by the various Governments interested, the revelations would have proved themselves equally interesting for future historians as the celebrated French "Dreyfus Scandal," while such investigation would have corroborated my arguments up to the hilt as to the causes for one and all.

1866. The financial panic in Great Britain. "*The Overend, Gurney, & Co. Failure.*" The Bank of England suspended its Charter Act.—Caused principally by "bearing" and gambling operations in bank shares.

Result. The Government passed, in 1867,

Leeman's Act, Vict., cap. xxix. This Act prohibits "bear" operations, &c., and consists of three clauses.

N.B. — The goldbugs, having thus obtained legislation to protect their property (gold), set to work to introduce similar systems, by which they could dominate the prices of silver and all other commodities.

1878-79. The financial and commercial panic in Great Britain. "*The City of Glasgow Bank Failure*," caused by "cornering" cotton in Liverpool, and by swindling paper-currencies in the shape of accommodation trade bills. The panic in cotton reacted upon the values of Manchester goods and yarns all over the world, and brought about the failures of numerous leading London, Manchester and Glasgow, &c., commercial houses interested. These, in their turn, brought down the banks and other financial institutions who had financed them.

N.B.—These systems were only introduced in cotton into Liverpool in 1876.

From 1876 to 1890 Lancashire had to contend with "*nine cotton corners in Liverpool*," engineered by Jewish houses, viz.: Morris Ranger, Benjamin Newgass, Streenstrand, Runge, and Wimpheimer. All these men were financed by Jewish and other leading English banking houses.

The result on the Lancashire cotton industry was disastrous. The nett losses to this trade and to Liverpool brokers and merchants ran into millions, while several hundreds of firms failed or were practically ruined.

The failure of Morris Ranger in 1883, when he

was "cornered" by Newgass, revealed one of the biggest commercial swindles of modern times, in which certain Jewish financial houses of the highest position were implicated.

1883-93. Various commercial panics in Germany, Austria, Great Britain, and in the United States, in *wheat, sugar, iron, &c.* All caused by gambling operations in fictitious products, the full details of which I have already dwelt upon in my various writings. Hence, I will not here recapitulate the gigantic losses and ruin they one and all entailed upon their respective countries and on the world in general.

I will specially instance the sugar "bear" raid about 1887. The result was ruin to producers of beet as well as to those of cane sugar, especially the West Indies. Many failures in Germany, Great Britain, &c., also took place, both amongst the merchants and sugar-refiners, while the price of beet-sugar fell to the lowest value ever known up to that period—say to about 10s. per cwt.; also the "corner" in beet-sugar about 1889 by German operators, ending in a huge commercial crisis; also the "Jesuits'" sugar "corner" in 1893.

1880-95. *The agricultural crisis all over the world.* Due to "bearish" international operations in cereals. All the leading operators were "bears." In the United States, for example, men of the stamp of "Edwin Partridge"¹ stood most prominent, and his influence was omnipotent. It resulted

¹ Read Dr. Ruhland's book published in 1896, "The Ruin of the World's Agriculture."

in the proposing of various Anti-Option Bills; some passed the Legislature by large majorities, but were never made law. On the Continent of Europe, the Jewish names of Cohn and Rosenberg, Siegmund Cassel, and others, stood equally prominent. The former ruined the German farmers; the latter the Austrian. The result was, Anti-Gambling Laws were passed in both these countries, and proposed in many others.

1888-89. The financial panic in France and in Great Britain, due to "*copper being cornered*" by Secretan, backed up by the most powerful of all international Jewish capitalists.

When the corner collapsed, this metal fell in London from 110*l.* per ton to 39*l.* 10*s.* In order to avert a "world's financial disaster," the Bank of France had to come to the rescue.

Certain particulars of how this copper ring was carried on became public property through a legal action in Paris in 1889 of the Cape Copper Mining Company *versus* Rothschild.

N.B.—It is worth the study of all, especially at the present time, in view of the numerous corners and panics, which have taken place from 1900 to 1906.

1890-1894. A financial and commercial panic all over the world. "*The Baring Collapse*," caused primarily by Barings "cornering" silver in the United States and in England, and by the "cornering" of the Argentine paper-currency by certain well-known Jewish capitalists on the Bolsa in Buenos Ayres. The latter corner revolutionised the

“basis” of Barings’ financial undertakings in Argentina, while the combination of the two corners brought about their ruin.

The results of the “cornering” of the paper-currency in Argentina were, the gold-premium rose to 350, thirty-five “bear-operators” failed in one day, and the Argentine Government suspended payment.

In 1893, this government proposed legislation to prohibit such gambling, which had only been introduced into Buenos Ayres, by the Jews about 1886.

The result of the collapse of the silver “corner,” was that this metal fell 50 per cent. by 1894.

To save a “world’s” financial crash, the Bank of England and the British Government had to come to the rescue. The other English Banks did the same, by a guarantee fund to the extent of over £17,000,000.

But this could not save the “world’s” crash. For, owing to the Bank of England holding only a small reserve of gold, the Government had to borrow from the French and Russian Governments £3,000,000 of that metal. The House of Barings virtually made over all their property to the Bank of England, and the Bank gradually liquidated the affairs of Barings. The effect of this crash was felt all over the world, and lasted till nearly 1895.

1890-1894. *The Silver Panic*, due to gambling in “fictitious” silver in the United States and in Great Britain. A financial and commercial panic all over the world, to the ruin of some of

the principal silver-producing countries. Since 1894, this metal has been introduced both on to the Bombay and Calcutta exchanges as a gambling medium.

It has only been since the white metal was first created into a gambling "commodity" under the "option" systems in the London Produce Clearing House, that the "international bear" has been omnipotent, and its price so disastrously depreciated.

Since 1873, the year of its demonetisation, the average lowest price for fifteen years, say from 1873 to 1887, was as high as $50\frac{1}{16}$ d. an ounce as against $39\frac{5}{8}$ d. for the following six years, 1888-93. Since this latter year, it has ruled considerably lower, and has been down as low as 25d.

It was in 1888 that the metal was first introduced as a "gambling" commodity into London. In March, 1891, it became a "registered" commodity. In September, 1893, on the closing of the Indian Mints, it became subjected to a "daily settlement." All these various steps prove that the gambling had increased enormously since 1888.¹ Result since the latter year, a yearly decline, ending in a panic in 1893-94, with a depreciation of 51 per cent. since 1890, of which 29 per cent. took place in a period of only about fifteen months, after the "daily settlement" system had been in force.

I will give some examples of the consequences of this and of other panics during these years, the direct results of which were also to cause a sympathetic panic in all commodities that are dealt in

¹ Read Dr. Ruhland's work published in 1896.

on the world's exchanges under the "international option and future" systems, viz., wheat, cereals, cotton, wool, etc., etc. These in their turn resulted in the lowest prices ever recorded.

At the height of the silver panic, the depreciation in securities on the American and European Stock Exchanges was £200,000,000.

The gigantic speculation of 1893, based on the Anglo-Indian "artificial" rupee-legislation, ended in a depreciation of securities quoted in the London Stock Exchange alone of £72,000,000.

A "bear" operation in 1894 between New York and London in the "exchanges" caused the Indian Government to lose over £1,000,000 sterling in their exchange estimates.

1899-1900. The financial and commercial panic in France. Caused by gambling in wool "futures" in France and in Belgium, and by the collapse of the "*world's*" wool "*corner*." The French Government had to come to the rescue to save a world's financial disaster.

The result on producers, as well as on all manufacturers, was ruin and demoralisation in the woollen trade of the world, while the price of wool by the end of 1900, fell to the lowest ever recorded.

1895. *The American "Grain Elevators Corner."* Caused by their "sealing up" some 30,000,000 bushels of wheat in their warehouses. Result: it starved the American millers and merchants and caused grain prices to advance from 30 to 50 per cent. all over the world, with financial and commercial panics.

1895. *The "Jameson Raid."* A Stock Exchange Jewish bear-raid and financial panic, caused by "bearing" gold-mine and other shares on the Johannesburg and on the other bourses of the world.

The effect of this panic lasted till 1897, *re* the former shares. Compare values of November, 1895 with 1897. The disastrous results will speak for themselves.

Further to realise the extent of this "bear" raid in 1895, the 325 securities on the London Stock Exchange for twelve months, say from December, 1900 to December, 1901, showed only a depreciation of £38,000,000, or, say during the depressing conditions of the second year of the South African War, as compared with the £58,000,000 for the month of November, in 1895.

Thus the effect of this raid on the bourses of the world is one of the most powerful examples of the secret weapons in the hands of the "bears," by the power of selling "what they do not possess," for it was estimated that at the height of the panic, the depreciation in quoted securities on the world's stock exchanges, was upwards of £300,000,000.¹

This conspiracy was originated, planned, and financed by certain "international" Jewish capitalists interested in the gold and diamond mines of South Africa, and was carried out at the end of December, 1895, the month previous to the raid. The result was that these said capitalists and others "in the know" brought about one of the

¹ See Footnote, page 234. Also Appendix, Note 10.

greatest financial panics ever experienced within the space of one month, on the stock exchanges of Johannesburg and in Europe — viz., by “bear” selling and by other unscrupulous manipulations.

For a small example, the usual 325 representative securities dealt in on the London Stock Exchange showed a total depreciation for that month alone (November) of no less than 58,000,000*l*.

Thus, while the *bona fide* investors were witnessing their property being wrecked and depreciated to an alarming extent by unlimited “bear” operations, or by “bear-sales,” sold as “hedges” by these Jewish capitalists, against their original holdings of gold mines and other shares, the latter were enabled to save not only their own “financial necks,” but also to make fortunes by the panic which they themselves had been the means of bringing about, under the knowledge of the coming raid.

1897—98. *Leiter's “International” Wheat Corner*. A “corner” in the foodstuffs of the world, supported by the most influential banks, merchants, and brokers in the United States, Great Britain, and on the Continent.

The results on the world were starvation, bread-riots, and massacres in some continental countries.

On the collapse of *Lieter*, owing to powerful “bear” syndicates in the United States, a commercial and financial panic took place, involving the ruin and failures of hundreds of commercial houses in various parts of the world.

1899—1903. *The South African War*.—A

Jewish capitalistic war, and the indirect outcome of the Jameson Raid.

An industrial and commercial crisis. History has repeated itself on the values of all government and of most leading investment securities quoted on European Stock Exchanges.

With regard to these, many had the "bottom" knocked out of them during 1896—98, being the direct result of the Jameson Raid financial panic in 1895 and 1896, and since these years they have gradually gone from bad to worse, under the continued hammering of the "international" "bears."¹

As an example, the depreciation from 1899 to the end of 1901 of the 325 representative securities quoted on the London Stock Exchange was fully 250 millions.

The result of this crisis also seriously affected the values of silver, copper, tin, iron, wheat, cotton, wool, tea, sugar, and all leading commodities that come under the "international" gambling systems, and are or have been dealt in on the world's various stock, produce, or metal exchanges.

Also, the crisis affected the values of shares of industrial undertakings which these various commodities formed the "basis" of, whether in Europe or in the United States.

Add to the above, the losses of speculators as well as the losses from the above commodities and

¹ Since 1895 to 1906, the fall in South African and other mining shares has ranged up to 80 per cent. See also pages 259 and 260.

other shares, and a total of thousands of millions would be reached all over the world, caused principally by the collapse of various "corners," and by the power of the international "bear" operator.

1903—1906. As the various "*World's Crises and Panics*," financial and commercial, have been dealt with in this book as well as in my last, *re* finance, wheat, sugar, cotton, iron, copper, wool, etc., and the causes which have led up to them, there is no necessity to summarise them here. Suffice it to say, they have one and all, as I have proved, been due, either directly or indirectly, to international commercial and financial gambling in "options," "futures," and "warrants" (*marchés à terme*)—the Economic Ruin of the World.

THE LATE SALISBURY - BALFOUR GOVERNMENTS AND THE GENERAL ELECTION IN 1906.

WITH regard to the late British Governments, it is a gratifying coincidence to myself to be able to state that since this book was practically finished, Mr. Balfour, speaking, not as the Prime Minister of England, but merely as the member for Manchester, should, for the first time during the past eleven years, have given his reasons to the British public why his late governments have not legislated upon this international question of gambling, which he admits, "*all tell me, all experts tell me, has done serious injury.*"

His views were stated at the British Cotton Growing Association's dinner at Manchester, on December 11th, 1905. The following is an extract of his speech from *The Times* of the following day:—

GAMBLING IN COTTON.

"I come now to our own country, and I would ask—What are we to do if cotton is to be made the subject of the gambling transactions from which we have so long suffered. If the raw material is to be so raised in price that the demand diminishes, and with that demand the employment (hear, hear), I do not like to contemplate even in imagination or for the purpose of argument the injury to British social life which such a blow struck at the heart of Lancashire would carry with it.

"I have no remedy to offer you of a legislative kind for the gambling which all tell me, all experts tell me,¹ has done serious

¹ See Appendix, Note 2.

injury to many of those engaged in this great article of manufacture and commerce.

"You cannot stop gambling by legislation. I should like to stop a great many things by legislation (laughter), if I thought legislation would stop them. But, then, it will not, and we have to consider facts as they are, and not as we in our great wisdom think perhaps they ought to be, and personally I do not believe that you would, by legislation, be able to stop people who wish to gamble from gambling in cotton.

"But you may discourage the extreme form of gambling in cotton, which is undoubtedly fostered by the fact that cotton is grown, not only in one area, but that in that area there are one set of climatic conditions, frosts for instance, and that they can raise the price or lower it, which make all contracts into which manufacturers have entered perfectly futile as a sane and sober commercial transaction.

"Legislation cannot cure gambling; this association can cure that cause of gambling in cotton. (Cheers.) If cotton is grown, not merely in certain States of North America, but if it be grown around the whole tropical zone of the habitable world, if it be grown in North Africa, India, or in the West Indies, why of course the gambler in cotton will feel himself smothered (cheers) in the magnitude of the supply with which he has to deal, which will remain far more equitable if it is grown under different conditions.

"All frost—I suppose frost¹ is an extreme term (laughter)—or at all events climatic conditions which are inevitable in the Southern States of North America will not extend to West Africa; if they extend to West Africa they will not extend to East Africa, and that very fact alone is a reason why, apart from the increase of supply, everything should be done to help this great association. (Cheers.)

"You have only got to look back to the terror with which the British Chancellor of the Exchequer looked upon the wheat harvest at home to see the sort of difficulty in which the cotton industry is now. In the old days, when British industry was dependent upon its own wheat, the difference of a good or a bad harvest or an oscillation in the prices of wheat was too horrible for anything for us to contemplate for a moment, but that is cured by the magnitude of the area from which we now draw our supplies, and heaven forbid it should ever be otherwise! (Cheers).

¹ See page 18.

“To follow that analogy, the greater the extent of the area from which you draw your cotton supplies you will find that the average cotton price will diminish in its variations, and that those who play on the natural variations of price will find their sphere of exciting enterprise (laughter) enormously diminished. (Cheers).”

Now, having already dwelt fully upon the position of Mr. Balfour's late governments in connection with this subject, as well as with most of the reasons he states for not legislating, I see no reason to withdraw one single word of my previously expressed views, nor enter into further arguments over again. In fact, the reasons Mr. Balfour puts forward are so shallow and so irrational that they only make me confirm one and all a hundredfold.¹

For he, like the other members of his late governments, who have been associated with him since 1895, has, as I have proved, been kept *au fait* with the universal opinion all over the world with the serious ruin this international gambling has done, which he now admits at the eleventh hour is the opinion of “all, and of all experts,” thereby confirming *in toto* my general views of the past fifteen years.

There is therefore no solid justification for him to show, by his own words, that he does not even grasp the subject, especially from the legislative basis point of view.

For he recognises, as the late Prime Minister of England, that the question at issue is a “world's” one. He too asks that if commodities are to be made

¹ See letter to Mr. C. W. Macara from the Author, page 121.

the subject of gambling transactions from which we have so long suffered, what is Great Britain to do? He admits that if raw materials are to be unnaturally raised in price by gambling operations, that the demand diminishes, and with that demand the employment. He admits that the ruin of a great industry strikes a blow at British social life.¹

He admits, in fact, by adapting his own views to all the world's commodities and to the world's industries, most of the principal arguments I have already brought forward for legislative measures in connection with the ruin caused by these international gambling systems on the world in general, from the "bull" or "cornering" points of view.

Under these circumstances, and holding such strong personal views, may I ask Mr. Balfour and the members of his late governments, why they have not legislated years ago, in order to protect Great Britain and its Colonies from his own acknowledged cause of ruin?

But Mr. Balfour entirely omits to grasp the power of international "bear" operations, the origin of "corners," and the ruin they have entailed upon the world's producers, including those of Great Britain or in other words, "unnatural low prices." Thus only grasping one side of this world's question.

He further does not grasp it, either from the nature or for the basis for such legislation. For,

¹ Yet, Mr. Balfour has refused to take any steps to prohibit Price-Famines, the result of "corners."

he says, "you cannot stop gambling by legislation," "legislation cannot cure gambling." Such statements prove how very little common sense and logic have to do with statesmanship in 1905. He further says, "personally I do not believe that you would by legislation, be able to stop people who wish to gamble from gambling in cotton." And here lies the crux of the whole position with regard to the basis of legislation, and herein Mr. Balfour shows his crass ignorance; for, if he had attempted to study the question in all its bearings during the past eleven years, he would have seen that no foreign government, that no agriculturist, that no manufacturer, that no consumer, and that no expert, has ever wished to stop people gambling, either in *actual* cotton or in any of the world's other actual commodities.

For he would have noticed that all foreign legislative measures, including those of Great Britain in the past, have merely been drawn up to prohibit "gambling operations" in "fictitious" or non-existing products and shares, through "option, future, and warrant" contracts.¹

And one and all would have agreed with Mr. Balfour, that it would be childish and against the doctrines of political economy, to attempt to prevent legitimate speculation in the "actual" products, whether bought and sold on the "spot" or in paper-contracts, representing those actual products. This is legitimate speculation and is the basis of all honest commerce; whereas, speculation

¹ See Author's letter to Mr. Balfour, page 108.

in "fictitious" commodities is gambling, pure and simple, of the worst and most demoralising kind, as I have proved by absolute facts.

For, under these international "bull and bear" systems, the legitimate speculation in the *actual* products has practically become a dead letter, because for every ton of actual produce bought and sold in the present day for speculation, one thousand tons of "fictitious" products are operated upon under these "option and future" contract systems, terminating only in the paying or receiving of "differences."¹ In fact, nearly the whole of the speculation in 1906 partakes of this latter form of gambling.

While to demonstrate how these bits of paper, in the shape of option-contracts, are looked upon in the financial world as representing purely gambling operations, and consequently not worth the paper they are written upon, I may state, that British banks would not advance one shilling against such contracts, which, on their face values represented one million sterling.

May I, therefore, ask Mr. Balfour, how can any transactions be considered honest without the exchange of things, and how can they be looked upon, otherwise than in the light of a swindle upon the world, when the "fictitious" values created by the "bulls and bears," regulate the actual prices, not only of English wheat, but also of every leading commodity grown in any part of the world, independent of the size of the world's actual crops?

¹ See page 55.

For, if Mr. Balfour and the members of his late governments, had only studied the views of the older writers on political economy in connection with such "paper-currencies," they would have discovered that those men, like all the experts of the present day, confirm these principles, both with regard to prices and to the ruinous results on all commodities, under any similar systems.

For they wrote, "that the position of a commodity represented is both unsafe and unstable unless the paper-currencies, as issued, are a *representative* of that commodity and not merely as a *substitute* for it; further, that unless the actual commodity itself, so represented, is in itself increased in quantity *pro rata* to the increase of the paper-currency representing it."

And it is well to remember that, when these older writers framed their ideas, it was in the nature of a prophecy, for there were no systems of "fictitious dealings," much less those of an international character, as there are in 1906. There were no "bulls," because there were no "bears," who at any minute in every day, and all the year round, could create any quantity (*ad lib.*) of such "paper currencies," representing merely a substitute for such commodities or shares, and independent of the world's actual supplies.

Thus, whether it be Great Britain's national industry, or whether it be its finance or its cotton, sugar, iron, copper, tin, wool, and other industries, as dwelt upon in this book, all of which come under these international gambling systems, and which,

in the aggregate, constitute the empire's life-blood, the members of the Salisbury-Balfour Governments, who have been its trustees during the past eleven years, by steadfastly refusing to acknowledge and to legislate on the direct economic causes, which have led to their respective ruin, high-minded and honourable as they otherwise are, must be held responsible by future generations, and be handed down to posterity,—I say it as an old Conservative and from a sense of duty,—as the representatives of the most “destructive governments” of modern times, because, being British gentlemen, they have neglected to do their duties.

To use a vulgarism, “the proof of the pudding is in the eating,” for since they first accepted office, it is admitted on both political sides, that the financial, commercial, and economic positions of Great Britain, have gradually been going from bad to worse, while this government, on the eve of its departure, leaves the country standing on the slippery brink of a precipice, with Protection, or Protection in disguise, under the names of Retaliation and Preference, as its sovereign remedies in order to prevent that catastrophe actually becoming an accomplished fact.¹

I can only earnestly hope, that those electors who will be called upon in the next few weeks, to say, into whose hands the destinies of the nation shall be committed, will realise, that every vote given to the Protectionists is a vote given to the “international capitalists,” and that all such votes,

¹ See Appendix, Note 18, pages 331—32 The latest remedy !

in consequence, must tend to the ruin of the British Empire.¹

I also trust they will do their duty by electing a King's Government, who will be honest and straightforward enough to recognise these "International" Economic Causes of Ruin," and by prohibiting them by legislation on the lines I have advocated, will thus prove itself, in years to come, as fully worthy of "Nelson's" motto :

"England expects every man to do his duty."

¹ Result of General Election. See Appendix, Note 17.

CONCLUDING REMARKS.

I CAN wind up this book by humbly but earnestly beseeching those, in the name of the world's peace, happiness and prosperity, who either rule, or are in authority, or are in power in 1906, to read, mark, learn, and inwardly digest the various economic subjects, I have briefly dwelt upon.

For, I take it for granted, all such men's minds are unbiassed, and they are open and free to study any new remedies that may be put forth, for the causes which are gradually but surely tending towards the world's economic ruin.

Also, that they fully recognise that their exalted powers can only be of a transitory character, and that they have been placed there by the Almighty, either as temporary or as life-directors over nations, and that, in consequence, they have to perform their respective duties, both to their God and to man, so long as they hold such "world's" power.

I can also appeal to the consciences and hearts of the leaders of the world's employers and the world's Press, in justice to honest labour as well as in the welfare of the unemployed, poor, and homeless, adopting the words as used in the beautiful prayer of the Bishop of Manchester, "that the same questions may guide their minds," and thus, I trust, help them to solve the great social and economic

problems, now *en evidence* all over the world, and which combined, are threatening the very destruction of the world's "international" industries, and, consequently, its prosperity and happiness.

I can also remind the great international capitalists and market-gamblers, in the name of humanity, that the fortunes they achieve through dishonest means or by the abuse of capital, under these international trade and financial gambling systems, are ill-gotten and obtained by defrauding others in order to enrich themselves; and that by so doing, they wreck the lives of hundreds of millions of innocent people.

I can also ask these men not to forget that such moneys, given or left, either during their lives or after their deaths, to charities or otherwise, can never exculpate their past wrong-doings, that Salvation is not to be bought for gold, and, "what shall it profit a man, if he shall gain the whole world and lose his own soul."

For, as President Roosevelt truly puts it, "the man of great means who achieves an immense fortune by crooked methods does a wrong to the body politic, and becomes a source of great danger to the nation. The worst citizens are those men who have achieved great wealth or any other form of success in any save a clean and straightforward manner. It is far more important that such men should conduct their business decently than spend the surplus of their fortunes in philanthropy."

And no real Christian man or woman can deny the truth of these words.

By applying them broadly to the world in

general, President Roosevelt corroborates in every sentence, in conjunction with the views, as expressed by the late Prime Minister of England,¹ in December, 1905, the sum and substance of my arguments, as to the future causes, directly and indirectly, for "The Economic Ruin of the World."

With regard to my own personal opinions, in connection with the subjects of my writings, I wish, if it were possible, to sink my own individuality. For I am fully conscious that my voice in this world's acknowledged and just cause is only a very humble one; but, I can assure my readers, it is an earnest one.

My one object has been, to open the eyes of the world to certain economic factors which, no honest man can deny, are based on truth. I am willing to abide by the verdict to be given by the world, after the irrefragable facts I have brought forward, not only in this book, but in my previous ones.

My sole desire has been to do good in the world, when I had the money, health, and strength to do it—the gifts of God the sole giver of all things, and before I join the great majority. For I am convinced that the various economic evils which I have exposed must inevitably, sooner or later, bring universal ruin on all God's people.

And, I shall base my belief in the future, as I have done in the past, on the truth of the simple words, written years ago, but which still hold good, even in the degenerate days in which we live, when "gold has become the god of man," viz. :

"No voice, however feeble, lifted up for truth dies."

¹ See page 297.

APPENDIX.

SINCE the preceding chapters have been placed in the printer's hands at the beginning of this year, several important factors, corroborating either directly or indirectly my previously expressed views, have come to light. The publication of this book has therefore been delayed in order that I could treat with them briefly in appendix form as they have arisen, and *thus bring my subjects up to date.*

NOTE 1.

I notice that *Mr. Asquith*,¹ *Chancellor of the Exchequer in the Liberal Government*, continues to put forth his fallacious arguments, like Mr. Chamberlain, over the question as to whether the Board of Trade returns are or are not an indication of the decay or prosperity of British trade.

In his speech at Huddersfield on January 9th, 1906, he said: "The figures for 1905 were the most striking in the whole history of British trade. The imports for that year were 565 millions, compared with 551 millions in 1904—an increase of 14 millions sterling. The British exports for 1905 were 330 millions, against 300 millions in 1904—an increase of 30 millions sterling. The re-exports for 1905 were 77 millions—an increase over 1904 of 7 millions sterling. That was a pretty good account for a stagnant and decaying trade."

As I have stated, such bare statistics of the money value of exports and imports to prove the prosperity or decay of the country's trade are not worth the paper they are printed on, for the sound reasons already given in this book as well as in my last, and consequently are an inaccurate method for gauging either, as all practical business men will admit.

¹ See Note 19.

For, whether the statistics refer to exports or to imports, the fact remains that the money values of both have been unnaturally and "artificially" enhanced by the various "corners" in textiles, metals, and materials which took place during 1905.

It was solely owing to these "unnatural" prices caused thereby that British manufacturers were unfairly handicapped in their competition with the rest of the world, with regard to *profits*,¹ a far more important consideration in estimating the prosperity of a country than the mere question of the volume of business done based on the erroneous principle of money value statistics.

Now let us reverse the position for the year's returns for 1906—7 in comparison with 1905, acting on the suppositions that "corners" do not last for ever, and that in the former years it may be one, indeed I anticipate it, of price depressions with regard to the before-mentioned leading products and metals, caused by the "bears" being victorious and the "bulls" being routed.

How will the Board of Trade Returns for 1906—7 compare under these new conditions with 1905?

Why, instead of showing another increase in the imports and exports, they will show a heavy decrease. And the direct artificial causes for both will be that there have been no "corners" in those years of such magnitude as happened in 1905.

While the result will be, I take it, that Mr. Chamberlain in 1908, if he is still in the same frame of mind as he is to-day with regard to Protection, will then have his retort to Mr. Asquith and point out "that a decrease in the returns means a stagnant and decaying trade and is a proof thereof!"

Again demonstrating that neither of these men grasp the truth, viz., that the Board of Trade Returns, in the manner they are issued, are, like many other official documents sent out under Government auspices, not only unreliable and faulty, but are also worthless as an index for proving either the prosperity or decay of British trade.

But, if the Chancellor of the Exchequer thinks he is right in his arguments that, "owing to the returns for 1905 being the most striking in the whole history of British trade," that the country in consequence must be correspondingly prosperous, how can he account for the ruinous state of finance, agriculture and trade during that year, and the great unrest in one and all, such as I have proved by actual object-lessons in this book, as well as for the deplorable state of labour and of

¹ See Notes 3 and 5.

the unemployed? And what drastic remedies will Mr. Asquith propose in 1906 to cure the same? Or, acting on his own suppositions as true, will he let the economic position of the country "slide," just as the Conservative Governments have done during their past eleven years' office?

NOTE 2.

Mr. Balfour, the late Prime Minister, in his final speech at Manchester on January 11th, 1906, said, with reference to the unemployed question, "he did not know himself how they could ever hope to wholly solve the unemployed problem. He was referring to the want of employment by the really deserving portion of the working classes who were able and willing to work. That problem must always present difficulties, for the reason that trade had its ups and downs. No one had yet discovered how to avoid these alternations between boom and depression. He did not believe that any legislation could cure it."

While I admit there must necessarily be *natural* ups and downs in trade I claim to have discovered and proved by actual facts the direct artificial causes for all the *unnatural* alternations between boom and depression which are ruining British trade and finance. And it will be seen that Mr. Balfour himself admits this factor so far as regards the unnatural cause for "corners during the past few years," which he acknowledges, if continued, must paralyse our most important home industries.

Therefore, I again confirm my previously expressed views that legislation prohibiting these international gambling trade and finance systems will cure these unnatural prices—whether they be high or low—and that such legislation is not only possible, but absolutely imperative, if the British Government wishes to save British trade from absolute destruction.

For it is the only form of legislation of a non-artificial character which would avoid these constant and unnatural alternations between boom and depression (or, in other words, "bull and bear" operations), which in themselves have constituted during the past thirty years the direct causes for what is termed trade, agricultural, and financial depression.

And the consequence has been that Mr. Balfour, as the predominant partner in his late Government, by steadfastly

refusing to protect the honest labour as well as the honest capital of Lancashire, by initiating legislation on the question of "corners" in cotton,¹ which all men, as he has admitted, have acknowledged to be the sole cause of ruin to Britain's second greatest industry, has paid the penalty by receiving his dismissal from the "Manchester school" at the general election in 1906, after having been its chief political representative for over twenty years. As men sow, so they reap, whether it be in the political or in other spheres of life!

NOTE 3.

The World's Cotton Trade.—At the American Cotton Convention, held on January 10th—12th, 1906, at New Orleans, the Southern Cotton Growers' Association unanimously adopted a resolution, *in order to defeat the "bear" operators*, "favouring a 25 per cent. reduction of the acreage to be planted for the 1906—7 cotton crop, compared with that planted in 1904." This means the planting of but 24 million acres. Another resolution adopted was to the effect "that holders of 'spot' cotton be requested to sign a pledge to sell at 15 cents per pound if, through the efforts of the association, the quotation for that year's crop reaches that price."

The convention further unanimously adopted a report "providing for the holding of the balance of the present crop for 15 cents and Sea Island for 24 cents, and authorising a committee of bankers and farmers in each State to carry out the plan."

Thus the accursed war that has existed for many years between the American planters on the one hand and the international "bears" on the other is to be carried on till 1907—8! If the former win, and if they can carry out their resolutions, the results must be that the manufacturers and spinners of the world will stand to be ruined, that tens of millions of the workpeople will be thrown out of work, and that the hundreds of millions of the world's consumers will have to pay from 100 to 200 per cent. extra cost over natural prices for their clothing simply owing to man's wilfully reducing the acreage of God's land.

¹ Mr. Balfour promised Lancashire in 1904, that an "International Conference on gambling in cotton should receive his careful consideration."

And this ruinous and wicked state of affairs will be solely due to the "international" gambling operations on behalf of "bulls and bears" through option and future contracts, as carried on on the American and British cotton exchanges.

And to prove that this world's question has become most grave and momentous, a special international conference was summoned on January 24th in New York between the officials of the Southern Cotton Growers' Association and representatives of New England and British spinners. It was decided to invite the various cotton associations of the United States, Great Britain, and the Continent to send delegates to an international congress to be held in Washington in May, 1906.

The remedy, the only one in fact, to cure this world's scandal is so simple and so equitable and just. It is for the Governments of the United States and Great Britain, supported by all other Governments, to prohibit by international legislation "bear" sales. Let all such transactions be treated as criminal, with the penal clauses of five years' imprisonment and a fine of £500 *for the first offence*. *The cotton trade of the world under these circumstances would once again flourish as of old* (see Note 4).

NOTE 4.

Boycotting and its Economic Results.—As a powerful object-lesson I can bring forward the consequences of the passing of the Chinese Exclusion Law by the United States Government. It has resulted in the boycotting of American manufactured goods by the Chinese nation, and the American productions are refused by most dealers in all cities and towns. While it may yet turn out that this boycott is not only commercial, but also political. It may be the first example of the yellow peril to prove to the Western world the strength of the new national spirit, the result of the victory of heathen Japan over Christian Russia. If so, the boycott in the future may not only affect the commerce of the United States, but also that of the Western world, besides causing the latter, as well as the former, to lose its political prestige in the Far East.

Such commercial boycotting is, however, a lesson to Great Britain and the sort of retaliation Lancashire may rightly

expect from the United States if it boycotts American cotton, considering that 80 per cent. of its manufactured goods are exported chiefly to the Far East.

Other object-lessons to be learnt from the boycotting by the Chinese of American goods are that the present *temporary* prosperity in the Lancashire cotton industry is in a measure due to this fact, *combined with the lower prices of the raw material, owing to the "bears" being pro tem. victorious and to the results of a reduced output of goods and yarns all over the world from 1900—4, due to the "cotton corners" and bull manipulations of those years,* and further that this prosperity is gained at the expense of the American cotton and other manufacturers.

With regard to honest British labour, the present prosperity in Lancashire has enabled the masters to grant to the weavers and others the increase in wages of $7\frac{1}{2}$ per cent. in May next, as demanded by them nearly twelve months ago as their lawful rights, and which had to be refused then, simply owing to the *gambling operations in cotton* and to the *unnatural* high prices of the *raw material* caused thereby.

NOTE 5.

The World's Wool Trade.—I can recommend my readers to obtain a copy of the *Annual Review* for 1905, reprinted from the *Yorkshire Daily Observer* of December 28th, 1905. They will learn some home truths as to the methods adopted by the gamblers. In reference "to the experiences of 1900 and to the criminal slump in prices of March, 1905," it truthfully remarks: "The real basis of good trade is stability of values. It is the one thing that the speculator abhors. Whether prices go up or down he cares not, he can make his book accordingly. Happily he makes some ghastly mistakes sometimes, and the crop of 'heavy failures' puts a stop to the game—for a time."

With regard to certain unscrupulous international "bull and bear" operations to influence prices in 1905, which caused immense losses to *bonâ-fide* traders and speculators, as well as to British manufacturers, it says: "But immense mischief was done to the export yarn trade, and we are yet feeling the consequences of it. It is incidents such as this that make men wish that now and again *one of the chief conspirators might be led out blindfolded on the floor of the [Bradford] Exchange and shot.*"¹

¹ Don't shoot them! Try the Author's child-like Remedy first.

I may remark this is another illustration of the truth of my views as to the direct causes of ruin to British trade. But Bradford, like Manchester, Nottingham, &c., must realise, as I pointed out in my letter to Mr. Chamberlain, published in my last book, that it is the international German-Jews established in these towns and elsewhere who, under the international gambling systems, not only dominate the *prices*, but who also, under the power of these systems, whether in exporting or in importing, are gradually becoming the monopolists, and that British manufacturers and spinners are being reduced to mere tools in their hands so far as their *profits* are concerned.

NOTE 6.

The Political, Financial, and Religious Position of France in 1906.—M. Fallières has been elected President at the instigation of the Freemasons and the Jews. At the meeting of the Bank of France Baron Edward Rothschild was elected regent in the place of his brother, the late Baron Rothschild. Comment is needless.

I can, however, point out that if the State has considered it its duty to wage a holy war against the political power of the Church the time will certainly arrive when, in the interests of the nation and based on the facts I have previously proved, it will become imperative upon the State to wage a righteous war against the political and financial intrigues of the Jews¹ and other secret societies, including the Jesuits.

NOTE 7.

American Finance and Labour.—In the money article of the *London World* of January 9th, 1906, Mr. Charles Duguid paints the position of American finance for 1906 in its true colours. He says: "The only possible theory for this state of things, if

¹ See Note 19.

we are not to attribute rank lunacy to Wall Street and its clients, is that the market is in the hands of a few operators, *who have the funds of the banks under their control. They are apparently doing without the funds of the insurance companies now—except so far as those funds, being invested, have found their way into the banks.* Obviously, if these few operators control prices, those prices are dependent on their will, and not on the will of the public, guided by reason. The average speculator gains nothing by studying factors; there is only one factor, and *that is the manipulation of the magnates.* There is something like a ‘corner’ in American railroad shares just now. . . .”

Can there be a more striking example of the rotten and immoral state of finance under these “bull and bear” systems and the undue power a few unscrupulous manipulators have over prices? It can only terminate in a repetition of the 1903—4 panic and another robbery on the public, when the total shrinkage in the leading industrial shares alone amounted to £400,000,000, when numerous trusts collapsed, and when hundreds of thousands of workpeople were thrown out of full employment.

Mr. J. J. Hill, the railway magnate, in an address on January 20th, 1906, on labour conditions, stated that “while the conditions in the United States were far better than abroad generally, and especially in England, *they were steadily becoming worse.* He said that in a *quarter of a century* the United States would be as hard put to it as Great Britain is now to *feed the idle classes.*”

Is this to be wondered at under the swindling operations in trade and finance, and the proved facts I have brought forward in this book, with regard to the United States of America? By degrees these unemployed, hungry, and homeless problems will travel all over the world, and it will be solely due to the tactics of *Dishonest Capital* under these iniquitous commercial and financial conspiracies. Let President Roosevelt and his Government take note of this solemn warning, emanating as it does from one of the foremost of Wall Street’s manipulators and capitalists.

NOTE 8.

British Finance.—Certain Unionist newspapers which have supported Protection are now attempting to bring on another

wave of financial and commercial depression owing to the success of the Liberal party. For example, the *Daily Telegraph* of January 17th, 1906, in a leader, writes: "If, however, the other constituencies should follow the example set on Saturday (by Lancashire), then we can only say that those who possess capital and those who are dependent for their daily bread on capital and on British credit will have a very anxious time during the next four or five years."

Surely, when both British capital and British credit are at their lowest depths, it is ungenerous for any London newspaper, whatever their politics may be, to write in this strain. It ought to be their solemn duty to support both, not only in the interest of honest British capital, but also in that of honest British labour. Well may both the latter hope, now that the Unionist Government is ousted and a Liberal one is returned in its place, that justice and fair-play may be meted out of a legitimate character, not forgetting that one is dependent upon the other and that dishonest capital, under these "bull and bear" systems, is an enemy to both.

NOTE 9.

Gold.—It is worth placing on record the coincidence that in the *Morning Post* of February 3rd, 1906, there were three special articles in relation to the serious state of the finances, due to the constant stringency of money, in *London, New York, and Paris*. The first was with reference to the Bank of England's gold reserve; the second to Mr. Shaw's Treasury proposals; the third to the Bill before the Chamber authorising the Bank of France to raise its note issue.

Such facts speak louder than mere words. There never can be any lasting stability in the world's money markets, and consequently in its international finance, as long as there is a permanent corner in gold and its price "artificially" appreciated; as long as its twin-sister, silver, remains a "gambling" commodity and its price "artificially" depreciated by the "bull and bear" systems; and so long as Governments countenance, and the banks encourage by utilising the moneys of the public deposited with them for their own benefits, the international gambling operations in "fictitious" stocks and shares, as well as in paper currencies and in exchange. The only practical solution lies in "international" reforms on the lines indicated, *pro bono publico*.

[NOTE 10.]

The South African War.—The London Press of January 24th gives prominence to the idea that if the Liberal Government interferes with matters that concern the Transvaal, “a peaceful secession of the whole of South Africa—Natal being an exception—from the British Empire will surely follow.” The *Daily Mail* writes: “We cannot believe that, after the British nation sacrificed 22,000 lives and spent £240,000,000 in the conquest of the Transvaal, any British Government, even one composed entirely of pro-Boers—as the present Administration is not—would permit for a moment such a secession. We are thus compelled to regard the statement appearing in the *Daily Telegraph* as another of the many pieces of ‘bluff’ that have been transmitted from South Africa either by the Boers or by the financiers during the past twenty years. South Africa is notoriously the home of intrigue, but by this time the British public knows the ‘slim’ ways of the Boer and the still ‘slimmer’ ways of the South African financier, and is not likely to be deluded by either. As for the threats of ‘cutting the painter,’ they are not at all likely to proceed from loyal British citizens in South Africa, as has been suggested by the *Daily Telegraph*. They are far more likely to have originated from what are known as the ‘great mining houses,’ who in the past have too often proved themselves to be indifferent to British public opinion. . . . But we protest against the attempts of South African financiers to bully the people of this country for the furtherance of their own private interests.”

Exactly so. And it is a sin that the British Government and the British public did not realise at the time of the Jameson Raid in 1895 “the still slimmer ways of the South African financiers and their attempts to bully the people of this country for the furtherance of their own private interests.”

If both had done so, and if the Jameson conspirators, together with their financial supporters, had been hung and treated as traitors to their country, there never would have been a “capitalistic” Boer war, and consequently no sacrifice of 22,000 lives and an expenditure of £240,000,000.

While the British and the world’s public would never have been robbed by the South African Jewish financiers, through Stock Exchange unscrupulous manipulations and by “bear” operations, of many hundreds of millions sterling.¹

Neither Great Britain nor South Africa would be in the perilous economic positions they both are placed in in 1906.

The prognostication of Bismarck, now many years ago,

¹ For latest object-lesson, see Note 19.

“that South Africa would prove a pitfall for Great Britain,” seems to be coming an accomplished fact.

For the view, as put forth and criticised by such pro-capitalistic newspapers, whether true or not, implies that in order for the South African magnates to gain their own financial ends it matters not what political intrigues they enter into, whether it be with the British Government, the loyal British citizens in South Africa, or the Boers, so long as they do obtain their sordid purpose.

It is paper-gold and the machinations of the Jews which have been the curse of South Africa the past twenty years. It will be paper-gold and the intrigues of these financial Empire-wreckers which will still, in the future, both rule and ruin that country as well as Great Britain, unless the power by which they exploit this gold, in the shape of international “bull and bear” gambling operations on the Johannesburg and London Stock Exchanges, be taken out of their hands by the British Government, like the Russian and French Governments’ Bills *re* Russian securities. This is the only salvation of British South Africa.

NOTE II.

The Morocco Question in 1906.—The jealousies existing between the German, French, and other banking houses continue. It is stated throughout the Continental Press that it depends on the peaceful conclusion of the Algeciras Conference whether these financiers will advance Russia the necessary loans to stave off financial ruin, should Russia require it; that if war between Germany and France be the outcome, France will not be in a position to help Russia, and that the Mendelssohn German syndicate, even at the wish of the Emperor, will also hold back; also that France, England, and Spain are against Germany with regard to their rights as to the loan to Morocco of 1904. Thus the financial collapse of Russia may yet lie in the power of these Jewish financiers,¹ while the various rulers and Governments interested are mere puppets in their hands. It is the latest example to demonstrate the indelible disgrace on the world in general, for it proves that all Christian nations are at the mercy of gold, and that a nation’s honour and even

¹ See Note 20.

its very existence is at the beck and call of the international capitalists, whose one object is to gain political or social power, as well as line their own pockets, even if it be by gambling in the lives of God's people, through war.

Yet, in the face of such sordid facts in the twentieth century, Western civilization boasts of its spread of Christianity and thanks God that it is not on the parity of its Eastern neighbours!

NOTE 12.

The International Institute of Agriculture at Rome.—The following twenty-six nations out of the thirty-eight represented at the Congress have up to the end of January, 1906, adhered to this Institute, viz. : Argentina, Belgium, Bulgaria, United States of America, Spain, Switzerland, Sweden, Russia, Roumania, Cuba, Denmark, Ecuador, France, Greece, Japan, Italy, Luxemburg, Holland, Persia, Mexico, Portugal, Peru, Montenegro, San Domingo, Servia, and San Salvador.

To make it a world's success the remaining twelve nations must also give their faithful adherence, in the interests of the world's agriculture and in the welfare of humanity at large.¹

NOTE 13.

The Royal Commission on Food Supplies in Time of War.—Field Marshal Earl Roberts in delivering an address on January 29th, 1906, before the Liverpool Chamber of Commerce, on Imperial defence, after reiterating his views, as stated in the House of Lords six months ago, that "our armed forces as a body were as absolutely unfitted and unprepared for war as they were in 1899," said with reference to our food supplies, "Allow me to bring to your notice another matter of national defence, which seems to me to be only second in importance to that which I have dealt with to-night. I refer to the question of securing our food supply in the event of war with a maritime Power. I have studied the report of the Royal

¹ Since January, Great Britain, Germany, Uruguay, Nicaragua, Austria-Hungary, Egypt, Guatemala, Chili, and Abyssinia have joined.

Commission on this all-important subject, and *I confess I am astounded at the small amount of interest that it has excited.*"

It is satisfactory to hear such a view expressed by one of the most practical men of the day, and one who is not afraid to speak out his mind when he realizes any national dangers to his country. But, even if we had an army fitted and prepared for war and able to defend our country in time of invasion, what use could it be if there were no assured food supplies? Soldiers cannot fight on empty stomachs and live on "option and future" paper contracts, representing "fictitious" food. Consequently I maintain this subject stands first in importance with regard to Imperial defence, and I can only trust, in the interests of the nation, that Lord Roberts and others interested in this combined question will study and take to heart the facts as embodied in Chapter III. of this book, which I challenge any man to disprove.

NOTE 14.

Indian Famines.—I am indebted to a member of the Indian Civil Service, Madras, who had intimate experience of the 1896-97 famine, for the following concrete object-lessons in connection with grain speculation :—

"This famine commenced to become acute in the autumn of 1896, affecting first the Central and Bombay provinces and spreading eventually to the Deccan districts of Madras. The effect of this famine was, that the native grain dealers at once bought up all the available stocks of grain in the more fertile tracts in some parts of the country, thereby causing prices to rise above famine rates in those parts, as defined by the famine code. These supplies they railed to the various affected famine areas, leaving the non-affected parts with depleted stocks and very high prices. This act resulted in grain riots in the fertile tracts themselves owing to the high prices prevailing, consequently intensifying the famine in those parts by creating 'local' corners.

"In the Kistna delta, *i.e.*, the tract irrigated under the great Kistna irrigation system, which is one of the most fertile spots in India, there was no famine whatsoever, but owing to the speculations of native grain merchants at Guntur, the central grain

market of the district, who had bought up all the reserve stocks of grain, with the view of supplying the famine areas at the enhanced values, the price of rice rose from twelve seers a rupee to six seers a rupee in September, 1906, *i.e.*, two months before the rice harvest.

"How much further it would have risen owing to the combination of the native merchants it is impossible to say, because this excessively sharp rise (it rose in one day three seers) led to grain-rioting in three towns in the district, including Guntur. The effect of the rioting and rice-looting in Guntur was, that these merchants became so frightened of further outbreaks that they immediately stopped depleting their stocks and agreed to sell amongst themselves rice at nine seers a rupee, or three seers cheaper than before the rioting commenced. They also mutually agreed to somewhat reduce the transports of grain and not rail them to the affected areas, with the object of preventing a further serious rise in their own parts."

Now, whether it be grain or rice, this speculation in "forestalling" crops, aided and abetted by the money power of the Bunneah over the ryot, goes on throughout the whole of India, especially in what are termed "famine seasons," thus intensifying a hundredfold the question of price famines by creating famine prices, accompanied, as a consequence, by the augmentation of disease and starvation to millions of the poverty-stricken inhabitants of that country.

With regard to Indian wheat, the basis of exporting this commodity to Great Britain lies in a "bear" sale of American wheat under the "future" systems. Therefore, if the price of this and other grain be raised "artificially" in years of famines by the speculative actions of the native grain dealers and above the parity as ruling in England, exportations come to an end, and this has been exemplified in many famine years.

Mr. R. Batson Joyner, C.I.E., who has had thirty years' experience in the Bombay presidency, and who was intimately acquainted with the great famines of 1876—7 and 1896—7, in his pamphlet in 1900, writing on the subject of grain speculation in India and the duty of all governments to take steps to prohibit this form of speculation, said: "Let the English and other Governments carry out firmly the procedure explained, and the future history of India should contain no more dark pages owing to *fickle weather*."

I may remark, these latter words are specially applicable to Russia and to a smaller extent to certain Eastern countries similarly affected by what man calls drought seasons.

And does the world in general require more forcible examples to prove that by such immoral operations, whether it be in

speculation in grain or rice in India, or in gambling in "fictitious" foodstuffs of other countries, under the "option and future" systems, one and all are gambling to the economic ruin of the world, and actually in the lives of God's people?

NOTE 15.

The German Bourse Bill of 1896.—The latest aspect of this bill is a continuance of the fight between the Bourse Jews and the Imperial Government.

The result was the introduction in 1905 by the Government of a modified Bill. Its principal provisions were, that unlimited "term" bargains in industrial stocks and shares should be permitted, while the prohibition of "term" bargains in produce should stand as in the 1896 Bill, but granting, however, so many facilities that it practically meant a readmittance of "term gambling" in produce.

This Bill was submitted in 1905 to a special Parliamentary Commission. This commission rejected the allowing of free "term" bargains in industrial stocks and shares, as well as those facilities proposed for the term markets in produce.

The Imperial Government intends to introduce another modified Bill in 1906, somewhat on the lines of the special commission's report. It is said the Federal Council approves of this Bill, but that the acceptance of it by the Reichstag is very doubtful.

The Bill will naturally be supported by the Jews and the Liberal members. It will be opposed by the Conservatives and by the whole of the Agrarian party. And not only will the latter body do this, but they also will introduce another Bill, making all gambling transactions in produce even more difficult than under the 1896 Bill.

Now this 1896 Bill was introduced at the instigation of the German farmers, and their political force is represented by the "*Bund der Landwirthe*." It was also supported by numerous petitions from trade associations.

The special Parliamentary Committee appointed in 1896 to investigate this gambling in cereals and the ruin caused thereby to German farmers reported to the Government the recommendation of the "total prohibition of options and futures or *marché à terme* trading." H.I.M. the German

Emperor, in 1894, announced "the introduction of two Government measures, in connection with agricultural depression, to remedy the evils resulting from Bourse speculations, as well as to protect the trading and industrial community against unfair trade competition."

The result in 1896 was, that the Reichstag passed by 200 votes against thirty-nine a motion "prohibiting time bargains in cereals," and also passed the "second reading of the Bourse Reform Bill."

And since the passing of the Bill the agriculturists of the whole of Germany acknowledge they have derived great benefits from it with regard to their vested interests; hence they are determined to fight the Government to the bitter end over their new Bill in 1906, and indeed to go one better by introducing a Bill themselves, which will even be more protective against all gambling operations than the 1896 Bill.

Thus we shall witness in 1906 a battle royal between the Imperial Government and the Jewish influence *versus* the agriculturists and the legitimate traders. It will prove whether the Hebrew race have, during the past ten years, increased their power in Germany, as they have done in Great Britain and in France, and who are to be the masters. The result will also demonstrate whether German agriculture is again to be sacrificed in order to enable the "international" Jews, whether residing in Germany or elsewhere, by international financial and produce gambling conspiracies, to add a few more millions to their already illicit gains, obtained through such swindling operations.

In the true interests of Germany, may the agriculturists win, and may the facts as stated in this book prove to the German Government the positive necessity of protecting their agriculturists and traders from the ruin caused by these "bull" and "bear" operations.

This Government had the honour of leading the way amongst civilised nations in prohibiting these immoral gambling systems. May I humbly suggest that H.I.M. the German Emperor lead the way amongst ruling monarchs by proposing what is absolutely necessary in order to make it a world's success, viz., *international legislation*, and thus support the resolution of 1896 which was unanimously carried, on the motion of Count Kanitz, in the German Reichstag?

NOTE 16.

The World's Sugar Trade.—M. Jules Jaluzot was convicted at the Paris Correctional Chamber on the 25th January, 1906, for fraudulently employing a sum of 3,000,000 francs belonging to the Printemps Company for the purposes of private speculation, and was sentenced to one year's imprisonment and ordered to pay a fine of 3,000 francs. The Public Prosecutor made the following comments: "To-day he is a fallen man. I have no sympathy with him; I reserve my pity for the humble and for the victims of gamblers. I have none for him who had but one passion, that of money, for which he sacrificed everything, even his honour."

Thus the final curtain is drawn on the gambling operations of the two Frenchmen, Cronier and Jaluzot, who in a "bull" and "bear" warfare with the Jews, under these swindling international systems in sugar, ruined during 1904 and 1905 the world's producers, manufacturers, and consumers, as well as the French depositors in the Printemps Company, besides causing a semi-panic on the European stock exchanges.

The world in general ought to learn its lesson thereby. In many respects it is a counterpart to the "Whitaker Wright" scandal on the London Stock Exchange a few years ago, when by "bear" operations the Jews and Christians strangled this man's huge financial undertakings, ending in a financial panic, with ruin to thousands, the trial of Wright, and his sensational suicide in court in preference to imprisonment.

NOTE 17.

The Historical General Election in 1906: Its Object-lessons.—The result ought to be gratifying to all honest and thinking Englishmen who have the welfare of their country at heart, whatever their political creed in the past may have been. The verdict is a full acknowledgment that dishonesty does not pay, and that honesty is the only real and true policy for a Government to adopt and for a nation to prosper under. It also proves that if the basis of the policy of any party be not straightforward, that party is sure to fall and cease to exist.

The verdict of the country is particularly pleasing to myself, as it proves there are millions of honest men who, by their

votes, have endorsed the opinion that, under the *régime* of the late Government, the economic, political, and social positions of the country have become rotten, as well as confirming my condemnatory criticisms, written many weeks ago, on the dishonest actions of the Salisbury-Balfour Governments, especially as to their sacrificing the nation at large for the benefit of a few. It also confirms my general economic views on Free Trade *versus* Protection, as expressed in my letter of 21st December, 1903, to Mr. Chamberlain, and embodied in full in my last book.

While with regard to Messrs. Chamberlain, Chaplin and Co., the principal object-lessons to be learnt are, that the traders, manufacturers, and agriculturists of the country, by refusing to accept this newly-fledged Birmingham firm as their "national family doctors," as well as by refusing to swallow their quack medicines as remedies, have supported my already expressed views as to this firm being entirely ignorant of the root-causes of the disease, which in past years have paralysed the business interests of all these men.

For the verdict of the country is a grand victory for Free Trade and is a death-blow for ever, whatever Mr. Chamberlain may say or think, to Protection and to all its attendant curses, as well as an object-lesson to the unscrupulous portion of the London Jewish and of the other capitalistic Press, which the Protectionist party had subsidised by gold.

It is also a proof that the nation is at last "waking up" to the acts of its secret enemies, and that it will not be a party to "slavery" in any form, whether that form takes the shape of Jewish gold or that of the Christian capitalists or monopolists.

And the result is, that, notwithstanding the false doctrines preached by a section of the Press, in order to blind the country, and especially the working classes, as to the causes of ruin, labour has at last recognised the before-mentioned facts as truths, on the principle that "even a worm will turn."

For honest labour, like honest capital, has, for the past thirty years, been the "slave" of the international capitalists, and both have been exploited under the power of these pernicious commercial and financial gambling systems.

And, in order to defend its sacred interests in the country, labour, having lost confidence in those whom it had sent to the Legislature during the past ten years to represent it, has been forced to assert its rights by placing no less than fifty-four Socialist-Labour members in the House.¹

The consequence of this is a commencement in Great Britain, as in other countries, of a political and social warfare

¹ Mr. Burns, at Battersea on March 9th, said, "he predicted in the next Parliament Labour would be represented by 100 members."

between labour and dishonest capital, in simple words, a so far "bloodless" revolution of the masses *versus* the classes. It is the latest example to demonstrate the truth of my views in connection therewith, not only as put forth in my previous writings, but also in the final remarks of the second chapter of this book.

And I don't hesitate to express the opinion, that such a state of affairs must only be a bad omen for Great Britain and for its colonies. For, under the pure socialistic banner, if this is to be the outcome of it—and no one can yet form an opinion on the *future* growth of labour sentiment towards social and public reforms—no person, not even the highest in the land, is respected, and no property is safe. For now that Labour has found out its political power, with the "King of the Socialists" a member of the Liberal Government, it is only a matter of years, money, and combination, when such Labour members and their nominees will swamp the House of Commons, and, in the words of Mr. Keir Hardie, M.P., "rule not only the affairs of England, but the Empire at large," just as the Nationalists have become omnipotent over Irish politics.

And the members of the late Government are solely responsible for it, owing to their capitalistic tendencies and revolutionary fiscal proposals, as well as by their having neglected to do their duty, as Englishmen and as Christians, towards the most sacred of all capital in God's eyes, viz., honest labour.

I leave it to my readers to sum up the future economic position of Great Britain, with its high finance in the hands of the Jews; the bulk of the House of Commons represented by labour, advanced Radicals, Labour-Liberals, Nationalists, Hebrews, and by socialistic and other similar revolutionary members; its finance, agriculture, and trade as well as its food-supplies, in a time of war, dominated by "international" capitalists under these gambling systems; and a large proportion of the working and industrial population in its great towns and cities, as well as a large percentage of the seamen of its mercantile marine, in the hands of aliens?

I trust the nation will also realise that a Christian country whose idol is gold, and which neglects its religion, and defies its God, and has become either priest or Jew ridden, must eventually succumb and cease to be a first-class Power; also that its salvation can only be obtained by ceasing to love sham remedies as well as hating real ones.

As a Lancashire man, I heartily congratulate the "Manchester school" on the political stand they have shown to England. What Manchester thought at the commencement of the election,

the bulk of England has followed suit. And it proves that when England is in danger, and the British Empire is at stake, Lancashire invariably comes to the fore with all its brains, seriousness, and enlightenment, and sets a powerful example to the rest of Britain.

And the voice of Lancashire has also been just as emphatic in all the leading manufacturing, agricultural, and industrial centres, say those of tin, copper, foodstuffs, cotton, wool, iron, and agriculture (as well as those trades dependent upon their prosperity, viz., coal, shipping, and shipbuilding). And it is the former important industries which have been paralysed by the gambling, option, future, and warrant systems.

While, to further demonstrate what the electors' opinions are of the late Ministers who have been the "figure-heads" of the Boards of Trade and Agriculture during the past few years, and who have been responsible for the welfare of those great industries, I can point out that three Ministers of Agriculture, as well as several of the Board of Trade, have received their dismissal, like most of their colleagues, in this historical General Election.

Another object-lesson is, that there have only been two important cities throughout England, Wales, Scotland, and Ireland, which have unanimously upheld, by their votes, the late Government's past misdeeds—viz., the cities of London and Birmingham. The reasons are not far to seek. In the former, the powerful influences of dishonest finance and of the stock, produce, and metal exchanges have been omnipotent. In the latter city, it is a proof, as also in the former, of "man worship" and "party-slaves," and country "nowhere."

And "Cobden's voice from the grave" would say: "Well done, Lancashire. The sound views of the old 'Manchester school' of 1846 still lives in 1906, and by its unanimous verdict against the new 'Birmingham school' in the shape of Protection, Capitalism, and Slavery, has supported my views. Let the overwhelming voice of Great Britain also be an object-lesson to those many millions of Free Traders in other parts of the world who are fighting for justice, liberty, and freedom, as well as one for the countries of Protection, with all the curses caused thereby to the majority. And I thank you, Lancashire, as well as the other great industrial and agricultural centres, for the great victory in upholding my honest principles and for defending my good name against the calumnies which the Protectionists have hurled against me during the past two years. Long live the principles of honest Free Trade, with its free competition, free contracts, free imports, and its fair trade, such as did exist *prior to the introduction in 1862 of the 'bear'*

operator under these international gambling systems in 'fictitious' products and moneys, with all its blessings extended to ninety-nine and fifteen-sixteenths per cent. of the entire population of Great Britain."

To prove the concluding words in the previous paragraph concerning the blessings of Cobden's honest Free Trade as against the curses of the Protectionist days of forty to fifty years ago to the nation at large, I will quote Mr. Chamberlain's own views on the latter, as uttered by him at Ipswich and at Birmingham in 1885.

He said: "The condition of the farmers was never so hopeless, and the state of the labourers was never so abject, as when corn was kept up *at a high value by a prohibitive protective duty*, when it was 64s. or even rose to 120s. per quarter. I wonder whether in this vast audience there are any people who have any conception of the state of things which existed forty or fifty years ago. At that time the whole of the labourers in the agricultural districts were on the verge of starvation. The poor rates in some districts were 20s. in the pound. At the time of which I am speaking, the large towns were described by eye-witnesses as bearing the appearance of beleaguered cities, so dreadful were the destitution and the misery which prevailed in them. People walked in the streets like gaunt shadows and not like human beings. There were bread riots in almost every town. There were rick-burnings on all the countrysides."

But now that the Liberal party have been returned to power as the apostles of a Free Trade policy, with its forthcoming Progressive programme of peace, retrenchment, and reform, I again assert the opinion most positively that in order to save the country it is its bounden duty, both to God and to man, to recognize the solemn and stern economic truths I have brought forward as the only sound remedies. This party must face them, one and all, and act up to them at any individual cost.

Let me congratulate the Liberal Government on the first reform it has taken by almost insisting that its Ministers give up all public directorships they may hold on their acceptance of office. This is a reform in the right direction, for no Minister has any right to be influenced or contaminated by city finance. While it is imperative upon one and all that their hands be clean, especially when dealing with such economic subjects which I now bring before them. I consider the Prime Minister has performed a real public service in the interests of the country, and has thus wiped out the malpractices as adopted by the members of the late Government. May this reform never be abandoned by future Ministers.

The reform of the stock, produce, and metal exchanges, on the simple economic lines I have advocated, and for the sound reasons given, is symbolical of an honourable international peace, of a permanent national retrenchment, and of a just social reform with regard to honest capital and to honest labour.

I can lastly and finally point out, now that the bugbear, Protection, has received its deathblow, like the other "capitalistic" red-herrings, monometallism and bimetallism, the subjects I have been publicly exposing for the past fifteen years and preaching during the last thirty, are the only ones before the country in 1906 which have been proved, and which have been acknowledged, to be the true root-causes of the various economic, and consequently of the numerous social disasters, which are threatening the very existence of Great Britain and of its colonies in the twentieth century.

NOTE 18.

The Position of the Jews in England since 1655.—The following is from the *London Times* of February 6th, 1906. It will speak for itself. I quote it because, having dealt so fully in previous chapters on the economic, political, and social positions of this race from the time of Oliver Cromwell up to the present year, not only in England, but also throughout the world, it gives me the opportunity of placing on record, for the benefit of future generations, the individual views as expressed by the most prominent political Christians and leading financial Jews residing in England in 1906.

It also gives me an opportunity of pointing out to the late Prime Minister, Mr. Balfour, to Mr. Bryce, a member of the present Government, and to Lord Rothschild, that I can only trust, in the interests of the nation, they will improve their historical knowledge by reading and studying the established and proved facts as put forth in this book.

They may then, I hope, change their erroneous opinions and false ideas as to the "good fruit" and economic benefits Great Britain has derived from this race during the past thirty years, whether living in that country or abroad.

It also gives me the further opportunity of reiterating my previously expressed sentiments that in bringing these international questions before the world I have no personal feeling against the Hebrew race, for it matters not to me whether the capitalists or market-gamblers be Christians or Jews. It is

systems I attack, not men. It is the Governments I blame for allowing their continuance. My writings have nothing to do with race prejudices or with educational or religious prejudices.

But I totally disagree with Mr. Balfour's views, "that the Jews have shown themselves worthy of the rights and privileges which they enjoy as citizens of this country." For no citizens, whether they be Christians or Jews, who have the true welfare of their country at heart can be loyal and worthy of those privileges when, solely with the object of enriching themselves, they sacrifice the finance, agriculture, and trade of that country as well as of its colonies.

The sum and substance of my indictments being that it is by the power of these "international" "bull and bear" financial and commercial gambling systems that the economic ruin of the world is being threatened; that it is the Jews who have played, under them, the most important part, especially in connection with "bearish" operations, not only in Great Britain and in some of its colonies, but also throughout the world; and that it was this race which re-introduced the systems into the world in 1862, with the full knowledge that by so doing they could dominate the world and virtually become its rulers.

And no honest, God-fearing man with an open conscience, be he Jew or Christian, can deny these statements after the proved facts I have been able to produce from all over the world in my numerous books.

It is to the senior members of the house of Rothschild and to Lord Goschen that I specially appeal, as honourable men, to support my views, adopting Lord Rothschild's own words, "as good Englishmen, and fond of their adopted country and anxious to serve the State both in a private and public capacity." While it is for the British Government and the British people to determine whether such swindling and one-sided systems shall continue or not, and whether Britain's future economic position shall still lie in the hands and power of the few, to the ruin of the nation itself, and consequently to the bulk of its population.

To prove how grave and momentous the present and future economic position of Great Britain has become in the opinion of Mr. Balfour, the late Prime Minister of England, and what barbarous methods he thinks it may yet be inevitable for the nation to adopt in order to save it, he said at the congratulatory dinner (with Lord Rothschild sitting on his right) given by the City Conservatives in London on February 17th in connection with the national policy of trade and foreign markets :—

"Now mark. In the sixteenth century, in the seventeenth century, and in the eighteenth century we fought for markets. Some of the great wars of that period waged by this country were, if you analyse their causes to the roots, wars for markets. I say that external markets are more necessary to us now than they were then. *I say that to fight for them again may be inevitable.*¹ Fighting is a barbarous method where negotiations may succeed, but negotiations never will or can succeed unless backed by some power of dealing with those with whom you negotiate if they ask extravagant or impossible terms."

Thus, in the twentieth century, we have a British Christian man, a late responsible British Minister of the Crown, the late chairman of the Imperial Defence Committee, a member of Parliament representing the City of London, the greatest financial centre of the world, advocating the view that in order for Great Britain to gain foreign markets and for the sake of its trade, a return is necessary to the uncivilised customs of waging war against other countries, which prevailed in the sixteenth, seventeenth, and in the eighteenth centuries!

This in face of the fact that all Christian nations in the twentieth century are seeking for peace, and the world's most prominent rulers standing out as peacemakers.

This remedy, if carried out and if it became universal, could only end in the absolute economic ruin of Great Britain and the world. For it is not only anti-Christian, but also so immoral and wicked, besides being against the welfare of the whole world, that all Christian and Heathen nations can dismiss it from their minds, and sum it up as the most damnable threat ever put forth by a sane man against the rest of the world.

And mark—Do not such sentiments speak for themselves, and insinuate that such barbarous methods have already been adopted by the late British Governments with regard to the Boer as well as to the other many small wars which Great Britain has been engaged in during the past ten years?

And do they not point the moral that all such unrighteous wars, whether successful or not, must in the long run bring their own curses upon all nations such as I have already dwelt upon in previous chapters?

JEWSH HISTORICAL SOCIETY.

A dinner to celebrate the 250th anniversary of the Whitehall Conference (December 4th—18th, 1655) and of the resettlement of the Jews in England took

¹ Let Great Britain adopt the more humane "international" Remedies, as suggested by the Author.

place at the Wharnccliffe Rooms of the Hotel Great Central last night under the auspices of the Jewish Historical Society of England. Mr. Lucien Wolf presided, and among those present were Mrs. Wolf, the Chief Rabbi and Mrs. Adler, Lord Rothschild, Lord Crewe, the Hon. Sir Eric Barrington, Mr. Bryce, M.P., the Rev. Professor Dr. Gollancz (president of the Jewish Historical Society), Mrs. Gollancz, Sir E. Sassoon, M.P., Sir H. and Lady Primrose, Mr. Stewart M. Samuel, M.P., Professor J. K. Laughton, Sir I. and Lady Spielmann, Mr. and Mrs. R. M. Sebag-Montefiore, Sir I. and Lady Hart, Mr. S. J. Solomon, R.A., and Mrs. Solomon, Mr. Harold Cox, M.P., Mrs. Cox, Dr. and Mrs. Prothero, Mr. and Mrs. Zangwill, the Rev. S. Singer and Mrs. Singer, Mr. Horatio Myer, M.P., Professor Haffkine, the Rev. S. Levy and Mr. A. M. Hyamson (honorary secretaries).

After the loyal toasts had been honoured, the Chairman proposed that of "The Memory of the Whitehall Conference." He prefaced his speech by announcing that he had received the following letter from Mr. Balfour:—

"4, Carlton Gardens, S.W., Feb. 5.

"Dear Mr. Wolf,—I am sorry that I am not able to attend your banquet to-night, and to express orally instead of by writing my sentiments on the interesting occasion which you are engaged in celebrating. Had Continental Europe followed the example set by this country for the last 250 years its history would not be stained by many crimes and many injustices which now stand on record as a perpetual reproach to Christian civilisation. That in this country there is no Jewish question, that race prejudices and religious prejudices which elsewhere play so disastrous a part in the social organisation are unheard of here, is due in no small measure to the fact that the Jews have shown themselves entirely worthy of the rights and privileges which they enjoy as citizens of this country, and that those rights and privileges have been granted to them in full measure. Long may these conditions prevail. Long may they bear all the good fruit which they have so abundantly produced in the past.

"Yours very truly,

"ARTHUR JAMES BALFOUR."

The Chairman also read a letter by President Roosevelt originally addressed to the Jewish Historical Society of America on the occasion of the celebration of the 250th anniversary of its foundation, which coincided with the English festival. The American society proceeded with its celebration last December, while the English society postponed its celebration in consequence of the mourning for the victims of the Russian massacres. In this letter President Roosevelt expressed his deep sympathy with the oppressed Jews and his appreciation of the virtues and good qualities of the Jews in America. Proceeding, the Chairman said that in what the Whitehall Conference did and left undone it not only gave the Jews beyond question a foothold in this country, but even created good favourable conditions in which their subsequent history was developed. The conference was not only asked to pronounce on the right of incoming; it was also invited to suggest terms on which the residence of the Jews should be permitted. On this latter question it arrived at no decision, chiefly because it was dissolved by the Protector as soon as it manifested a disposition to make recommendations of an oppressive character. There could be no question that that act of omission on the part of the conference saved them from the Ghetto system, which was then in force almost all over Europe. They consequently owed to it in a very large measure the fact that their social assimilation with their non-Jewish fellow-citizens was, and always had been, far more complete in this country than in any other, and that in consequence the baneful wave of anti-Semitism which had swept across the Continent had not invaded this island. (Cheers.) The conference was epoch-making, not only in Jewish, but also in English history. It widened the scope of the

struggle for freedom, it postulated for the first time the true limitations of that struggle, and it assured its ultimate triumph. (Cheers.)

Mr. Bryce, M.P., proposed "Prosperity to the Anglo-Jewish Community." In doing so he referred to the great antiquity of the Jewish race. The nations of the West were mushroom creatures of yesterday compared with a nation which dated far back beyond the beginnings of any history at all in Europe, and to the length of whose annals one must look for a parallel to countries like China and Japan. And as the Jewish history was the longest, so, he thought, it was in many ways the history which had affected the world most. The literature and the religion of which they were the first depositories had been the most powerful factor in the life of civilised mankind. After referring to the great part played by eminent men of the Jewish race in the public life and in the thought of this country, Mr. Bryce proceeded to say that we English ought to be the very last people who did not welcome the coming in of other stocks among themselves. We were a mixed race and we had gained by every addition. We were heartily glad to see the Jews settle among us and to see them happy, contented, prosperous, mingling with us socially while retaining, as they wished to do, their internal life and organisation. He was one of those who could not avoid the sentimental wish that somewhere in the world, if not in Palestine, which one would prefer, there should still be a Jewish nation organised as a Jewish nation. (Cheers.) But be that as it might, he hoped that their community would remain and flourish and abide among us, and that there would always remain between us that good feeling and mutual respect which ever since the days of Cromwell had characterised our relations, and which had been honourable both to the Jews and to the English. (Cheers.)

Lord Rothschild, who also replied, said that he would have preferred that that toast should have been the toast of "civil and religious liberty throughout the world." The Jews who lived in England and had become Englishmen had enjoyed civil and religious liberty to the full, and, having enjoyed it, had become good Englishmen, fond of their adopted country, and anxious to serve the State both in a private and a public capacity. The reason why he wished that that toast had been "civil and religious liberty throughout the world" was that he felt that, if those of their faith who lived in distant lands enjoyed the privilege of civil and religious liberty, they would become citizens of those countries, they would be delighted to live there and serve their State and their home as faithfully as those in England desired to serve it: and, if they enjoyed civil and religious liberty in the land in which they lived, we here should be spared the sorrow and the anguish which we suffered when we heard of their sufferings and their misfortunes. (Cheers.)

Sir E. Sassoon, M.P., also responded to the toast.

The toast of "The Visitors" was proposed by the Rev. Professor Gollancz and responded to by Lord Crewe and Mr. Harold Cox, M.P., and the "Health of the Chairman" was subsequently drunk at the invitation of Professor Prothero.

NOTE 19.

THE OPENING CEREMONY OF THE NEW
REFORMED BRITISH PARLIAMENT IN 1906.HIS MAJESTY KING EDWARD VII.'S SPEECH
FROM THE THRONE.

The King delivered his own gracious Speech from the Throne. To the Gentlemen of the House of Commons His Majesty said, *inter alia* :—

"I note with satisfaction that the imports and exports of the country continue to show a steady and accelerating increase, and, together with the growing activity at home, indicate that the industries of my people are, in general, in a sound and progressive condition."

"The social and economic conditions of the rural districts in Great Britain require careful consideration. Inquiries are proceeding as to the means by which a larger number of the population may be attracted to and retained on the soil, and they will be completed at no distant date."

"Your attention will also be called to measures for checking commercial corruption."

"The additions which have been made in recent years to the national expenditure and to the capital liabilities of the State are matters to which I invite your earnest attention."

Thus His Majesty, as in his Speech from the Throne in 1904, has shown his gracious interest in certain recognised problems which are affecting the prosperity of his country in 1906.

Now, I have dwelt in this book upon these various social and economic factors. With regard to the first one, it proves, to my mind, that His Majesty's Ministers have advised His Majesty that the latest Board of Trade Returns are conclusive proofs of the prosperity of his country, and that in consequence the Government is quite satisfied with the state of Trade as it is, and that it does not intend to propose any legislative measures, either with the object of improving or of removing the causes which are threatening it; thus confirming my views, as expressed in Note 1 in the Appendix, with regard to Mr. Asquith, the Chancellor of the Exchequer.

Concerning the other three items and the nature of the various inquiries and measures that are to be adopted by the Government I know nothing, but it is satisfactory to learn that all these important Imperial and national subjects are to come under the future consideration of Parliament.

With regard to the special measures for "checking commercial corruption," which exist in various forms, such

as secret commissions,¹ bribery, &c., I can only again express the sincere hope, in the interests of the nation, that they will include the subjects of my writings, not only with regard to Britain's trade, but also to its agriculture, finance, and labour, as one and all are indissolubly united.

Consequently, this being so, the only sound remedies are to remove the conditions which have gradually given rise to the causes of their ruin during the past thirty years, for I maintain that the only true test of a nation's prosperity lies, not in the Board of Trade Returns, but in the condition of its people.

And what is the *actual* economic and social status of His Majesty's subjects throughout the length and breadth of the British Empire?

Great Britain. The Duke of Devonshire, in the House of Lords, on February 22nd, 1906, with reference to the Board of Trade Returns, said: "Mr. Chamberlain hopes they will enable us to understand how this apparent prosperity, as he calls it, *should be accompanied by a state of things in which one-third of the population are underfed and on the verge of hunger.*"

With regard to British agriculture, trade, and finance, the economic positions are critical, if not perilous, as I have proved by actual facts, and which are acknowledged to be so by leading authorities.

India. Mr. Dadabhai Naoroji, for many years a Member of Parliament for a division of London, in writing to the London Press, on February 23rd, 1906, in reference to the King's Speech and to the supposed prosperity of His Majesty's subjects, said: "*It is that under 'British' (it is not British at all) rule in India millions on millions of human beings are perishing by famines and plagues, and scores of millions are starving on scanty substance.*"²

South Africa. There are thousands on the brink of starvation. The financial position is also rotten. Trade is paralysed and progress in every direction is checked. Securities are virtually not negotiable. No one has money to buy with or to lend.

It can be summed up as on the verge of bankruptcy. Such a state of chaos in South Africa must necessarily affect the economic position of Great Britain for many years to come, and whose financial prospect in consequence could not be darker.

¹ This "Corruption Bill" passed the House of Lords, March 8th, 1906.

² See page 81. Also Appendix, Note 14.

The climax has been reached in 1906, owing to the continued panic in all South African mining and other shares. The fall since January, 1905, to March, 1906 (not including losses from gambling operations), represent a total loss to the *bonâ fide* investors of some £100,000,000.

And this unwarrantable panic has been solely due to a "Bear-Raid" by the international Jewish magnates, residing principally in Paris and in London, and by which hundreds of thousands of French and British Christian investors have been practically ruined.

The bulk of the "Capitalistic" Press wilfully suppresses these swindling operations as the cause of the panic, and fraudulently places the blame on the proposals of the Liberal Government.

Many of the Continental and a few of the English newspapers, however, refer to the cause. For example, the Paris edition of the *Daily Mail* of February 28th, 1906, says: "*It is beginning to be generally recognised that the deep-laid scheme which engineered the slump commenced with the 'record Rand output' for December last, and frankly, the manœuvres of the magnates' organisation are commencing to cause considerable uneasiness and disgust not only in Bourse and financial circles, but also in the provinces. The object-lesson taught by the present organised 'Bear' campaign is not likely to be lost on the Continental investor, or, for a matter of that, on the market dealers here.*"¹

Thus, we have the first powerful object-lesson of the Jewish L'Entente Financière, as existing on both sides of the Channel!

Canada and other Colonies. There are thousands unemployed. In Canada, as in Great Britain, public subscriptions had to be opened in 1905 in the principal towns for the benefit of the starving.

West Indies. The economic and social positions have been most critical for years, especially in 1906, due to the price of sugar again falling to almost the lowest ever known.

How, therefore, can His Majesty's Government, under the before-mentioned established economic and social facts, as the responsible Ministers of the Crown, represent to His Majesty that in 1906 "the industries of my people are, in general, in a sound and progressive condition"?

And how can Sir H. Campbell-Bannerman justify it, in face of his words in 1905, when applying them to the late Government, "that a straightforward Government requires a straightforward policy?"

May I, therefore, most humbly bring before His Majesty's notice, that in 1894 and in 1904, at the instigation of many

¹ See page 319.

influential members of Parliament, Amendments to the Royal Speeches of those years were proposed on the various economic subjects as dwelt upon in this book?

Further, that Mr. Field, M.P., proposed the following Amendment to the Address in 1906, but which, like the previous ones, was boycotted by the Government in power:—

"But humbly represent that, having regard to the acknowledged injury done to legitimate trade, agriculture, and finance, as well as to producers, manufacturers, and the working classes in general, by dealing in non-existing quantities of cereals, products, and other raw materials, under the option, future, and warrant systems, which enables 'corners' and price-depressions to be caused by the systematic operations of gambling in paper contracts. Further, respecting the fact, as proved by the Blue-book issued in 1904, that the Governments of various countries have either held Parliamentary inquiries, or have proposed, and in many cases nations have passed, legislative measures with the object of prohibiting all such sales, except, those for actual delivery, that it is the duty of His Majesty's Government to make the necessary arrangements to inquire into this urgent national and international issue, with a view of promoting legislation this Session, and convening an International Conference with other nations in order to promote protective co-operative international legislation in the interest of the world's agriculture, trade, and finance."

Hence, the most important national and international questions, which are ruining the economic and social positions of Great Britain and her Colonies, have never even been allowed to come up for discussion in the House during the past thirteen years.

NOTE 20.

The World's Jewish Capitalists and Russia. At the annual meeting of the Central Jewish Relief League of Germany, held in Berlin, March 12th, 1906, Dr. Paul Nathan, the special emissary to Russia on behalf of the Jewish philanthropists in England, America, and Germany, to arrange for the distribution of the relief fund of £300,000 raised after the massacres last autumn, concluded his speech by a passionate appeal to the Jewish money powers of the world to arrest Russia's career as a borrower. That the financiers of the world should call halt to Russia,

not only for humanitarian reasons, but for practical reasons, and thus make Russia's bankruptcy an established fact.

Thus, during 1906, we have the latest absolute object-lessons of the financial ruin, caused by the international Jews, to Great Britain, France, and South Africa (see Note 19), as well as the deliberate proposal to ruin Russia.

PUBLICATIONS BY CHARLES W. SMITH
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- 1895.—**THE OPTION, FUTURE, AND SETTLEMENT**
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Price 6d. Delivered before the Central and Associated
Chambers of Agriculture, London, and the Annual Congress
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- 1895.—**THE RUIN OF THE WORLD'S AGRICULTURE.**
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- 1896.—**OUR DAILY BREAD.** Price 6*d.* (Published in the *Mark Lane Express Annual*.)
- 1896.—**THE SYSTEM OF INTERNATIONAL OPTION AND**
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- 1896.—**The Translated Edition of "THE RUIN OF THE**
World's Agriculture and Trade"—"International Fictitious Dealings in Futures of Agricultural Produce and Silver, with their Effect on Prices." By Dr. G. Ruhland, of Berlin. Prefaced by C. W. Smith. Price 1*s.* 6*d.* (P. S. King & Son.)
- 1896.—**INTERNATIONAL GAMBLING IN "FUTURES,"**
representing "Fictitious" Grain and Silver: the Direct Cause of the General Depreciation in the World's Corn Prices, Prepared at the request of, and published by, the International Agricultural Congress at Budapest.
- 1897.—**EVIDENCE OF CHARLES W. SMITH BEFORE**
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- 1897.—**CHARLES W. SMITH'S "REPLY" TO THE FINAL**
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- 1898.—**COMMERCIAL AND FINANCIAL INTERNATIONAL**
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- 1900.—**PRICE-FAMINES—THE RESULT OF "CORNERS."**
The Crime of the Century. Price 1*s.* (P. S. King & Son.)
- 1902.—**THE SOUTH AFRICAN WAR AND THE BEAR**
Operator: A Financial Revolution. Price 2*s.* (P. S. King & Son; G. P. Putnam & Sons, New York.)
- 1903.—**GAMBLING ON THE BOURSE IN EGYPT: Its Effect.**
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- 1904.—**FREE TRADE AND PROTECTION UNDER THE**
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